THE ROYAL AIR FORCE CENTRAL FUND

England & Wales · Charity number 1152560

Details

Status	Registered
Legal form	Charitable company
Company number	08555984
Registered	2013-06-24
Register	View on the Charity Commission register

Contact

Address	RAF Central Fund Danesfield New Lock Lane Henley Road Medmenham Marlow Buckingh
Phone	01494 569068
Email	mail@rafcf.org.uk
Website	www.rafcf.org.uk

Activities

Objects: 2.1 The objects for which the charity is established, for the public benefit, are:-2.1.1 To benefit generally the members or former members of the Royal Air Force and their dependents in such charitable ways as the Trustees think fit.2.1.2 To promote the efficiency of Her Majesty's Armed Forces in such charitable ways as the trustees think fit particularly (but not by way of limitation) through encouraging and facilitating the playing of, and participation in, and the provision of or assisting in the provision of facilities for, sport in the Royal Air Force with particular reference to:(a) Increasing physical fitness;(b) Fostering the espirit de corps; and(c) Raising morale Of the members of the Royal Air Force.

Activities: PROVIDE CHARITABLE SUPPORT TO THE SERVING RAF COMMUNITY WORLDWIDE, SUPPORTING CAPITAL PROJECTS, COMMUNITY AND WELFARE SUPPORT FACILITIES AND ENCOURAGING THE DEVELOPMENT OF INDIVIDUALS THROUGH SPORT TO FACILIATE AN ENCHANCED SENSE OF BELONGING, MOTIVATION, MORALE AND COMMUNITY SPIRIT.

Downloaded from opencharities.uk/ew/1152560

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** General Charitable Purposes
- **Who:** Other Defined Groups

Geography

- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£6,639,218	£5,722,698	£54,241,454	16
2023-12-31	£6,141,995	£5,104,032	£50,539,713	16
2022-12-31	£4,442,322	£4,649,530	£46,525,631	12
2021-12-31	£4,166,890	£4,628,905	£48,146,066	12
2020-12-31	£5,137,842	£4,243,590	£44,769,597	12

Trustees

Name	Role	Appointed
Dr EAMONN MOLLOY	Chair	2017-07-27
Alison Farmery		2018-09-26
Chantal Baker		2020-04-17
Dr Julian Brown		2024-05-06
GROUP CAPTAIN Mark Williams		2018-09-26
Helen Gripton		2025-11-12
Hon Group Captain John Michaelson OStJ		2018-04-06
John Stringer		2025-11-12
Oscar-Luigi Veronese		2024-07-12

Downloaded from opencharities.uk/ew/1152560

THE ROYAL AIR FORCE CENTRAL FUND

England & Wales - Charity number 1152560

Accounts

ROYAL AIR FORCE CENTRAL FUND

ANNUAL REPORT

2024

Registered Company Number: 8555984 Charity Registered in England and Wales: 1152560
Charity Registered in Scotland: SC044299

CONTENTS

2 REFERENCE AND ADMINISTRATIVE DETAILS

6 A MESSAGE FROM THE CHAIR

7 A MESSAGE FROM THE CEO

10 THE TRUSTEES' REPORT

14 PROPERTIES

17 PROGRESS AGAINST STRATEGIC OBJECTIVES

38 FUTURE PLANNING

43 LEGAL STATUS AND ORGANISATION

46 MANAGEMENT AND COMMITTEES

50 RISK MANAGEMENT

52 REVIEW AND FINANCIAL RESERVES

55 TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

61 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2024

62 CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2024

63 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

64 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Dr E Molloy	Chair
Mr J C Michaelson	
Mrs A Farmery	
Group Captain (Ret'd) M Williams	
Group Captain C Baker	
Dame S Gray	Appointed 4 March 2024, Resigned 6 May 2025
Mr J Brown	Appointed 6 May 2024
Mr O-L Veronese	Appointed 12 July 2024
Warrant Officer J Crossley	Resigned 24 April 2024

FINANCE AND RISK COMMITTEE MEMBERS

Air Commodore (Ret'd) A Portlock	Chair
Group Captain (Ret'd) M Williams	Trustee Member
Wing Commander K Tinkler	
Group Captain S Brewin	
Mr B Cartledge	Resigned 15 March 2024
Mr M Rana	Resigned 13 March 2025
Mr D Weaire	Appointed 3 June 2024

GRANTS COMMITTEE MEMBERS

Warrant Officer E Kerslake	Chair
Mr O-L Veronese	Trustee Member
Squadron Leader G MacKay	
Warrant Officer A Thomas	
Warrant Officer S Catterall	
Warrant Officer C Cooper	
Warrant Officer S Subramanium	
Warrant Officer M Dalziel	Appointed 5 June 2024
Warrant Officer K Gow	Appointed 4 October 2024
Flight Lieutenant R Caplan	Appointed 4 October 2024
Squadron Leader L MacDonald	Appointed 17 March 2025
Squadron Leader O Gibson	Appointed 17 March 2025
Warrant Officer J Crossley	Resigned 24 April 2024
Warrant Officer G Evans	Resigned 5 June 2024
Squadron Leader R McPhee	Resigned 4 October 2024
Group Captain D Murty	Resigned 17 March 2025
Squadron Leader E Fisher	Resigned 17 March 2025
Squadron Leader N Byrne	Resigned 17 March 2025
Master Aircrew J Stone	Resigned 17 March 2025
Squadron Leader S Hyndman	Resigned 4 October 2024

REMUNERATION COMMITTEE MEMBERS

Mrs A Farmery	Chair & Trustee Member
Group Captain (Ret'd) M Williams	Trustee Member
Group Captain C Baker	Trustee Member
Warrant Officer J Crossley	Trustee Member - Resigned 24 April 2024

INVESTMENT COMMITTEE MEMBERS

Mr J Brown	Chair & Trustee Member
Mr J C Michaelson	Trustee Member
Group Captain (Ret'd) M Williams	Trustee Member
Mrs S Bridgeland	

PRINCIPAL OFFICERS OF THE CHARITY

Mrs N Graske	Company Secretary
Mr R Perriam	Chief Executive Officer

REGISTERED ADDRESS

Hurricane Block Headquarters
Air Command
RAF High Wycombe
Buckinghamshire
HP14 4UE

PRINCIPAL OFFICE

RAF Central Fund Danesfield
Henley Road
Medmenham
Buckinghamshire
SL7 2EY

PROFESSIONAL ADVISORS

Lane Clark & Peacock LLP
95 Wigmore Street
London
W1U 1DQ

Broadstone Corporate Benefits Ltd
221 West George Street
Glasgow
G2 2ND

Vidett Ltd
Forbury Works
37-43 Blagrave Street
Reading
RG1 1PZ

INVESTMENT MANAGERS

Treligga PLC
Savills Investment Management UK Ltd
Insight Investment Management (Global) Ltd
Legal and General Investment Management Ltd
Napier Park Global
Pantheon Ventures (UK) LLP
Blackstone
Blackrock
Marathon Asset Management LLP
Knightsbridge Advisers LLC
JP Morgan Ltd
CCLA Fund Managers Ltd
IFM Investors
Baillie Gifford & Co
Clear Ocean Partners
Golub Capital

REGISTERED AUDITORS

Richard Place Dobson Services Ltd
1-7 Station Road
Crawley
West Sussex
RH10 1HT

LEGAL ADVISORS

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Russell-Cooke LLP
2 Putney Hill
London
SW15 6AB

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

BANKERS

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

Royal Bank of Scotland
Holts Military Banking
200 Fowler Avenue
Fowler Business Park
Farnborough
Hampshire
GU14 7JP

A2C

A MESSAGE FROM THE CHAIR

The year 2024 marked significant progress for RAF Sport, notably with the successful integration of the 36 merged sports charities. This integration establishes a more unified and efficient administrative foundation, positioning us well for future development.

The inevitable challenges with such a complex and pacy implementation were overcome and the patience and understanding shown by all personnel during this transition were sincerely appreciated by the Board; it simply could not have been achieved without them.

Significant progress was also made to our grant programmes, which achieved unprecedented levels of distribution this year. A record number of serving personnel received support across various streams, reflecting our ongoing commitment to investing in their well-being and sporting development. The tangible and measurable positive effects of this increased support are already evident in the wider participation and achievement in sports.

On the commercial front, sponsorship contracts exceeding £200,000 were secured through a combination of new, renewed, and enhanced partnerships. Particularly noteworthy within this portfolio is the Central Fund's first agreement with a non-defence sector organisation. Such diversification signals growing external recognition of RAF Sport's value and its potential for broader strategic alliances facilitated by the Central Fund.

With administrative structures now streamlined, even greater focus and resources can be directed towards sports delivery itself. The Board therefore looks forward to increasing member engagement and further sporting success in the year ahead.

All of our collective efforts underpin the continued winning trajectory of RAF Sport.

Thank you for your continued support and dedication.

Eamonn Molloy

Dr Eamonn Molloy
Chair, RAF Central Fund

A MESSAGE FROM THE CEO

As we look back on 2024, I am proud to reflect on a year of substantial growth and achievement for RAF Sport. One of the most significant milestones has been the successful integration of 36 merged sports charities.

We were humbled to be recognised for these efforts when the Central Fund received a Team Commendation in the 2024 King's Birthday Honours list for its dedication to delivering sport and physical activities within the RAF.

The Fund was listed in the Deputy Chief of the Air Staff's Team Commendations, and it represents a significant achievement for the collective drive, ambition and impact of our charity.

The transition of merging Associations has been a complex but rewarding procedure, requiring new systems, processes, and a unified approach. I would like to thank everyone for their patience during the inevitable issues we experienced as we onboarded the associations and new systems.

2024 has also been one of the best years in terms of sporting participation. With over 2,000 fixtures held and nearly 70 overseas visits, engagement across all levels, from grassroots to Olympic athletes, has been exceptional. We also celebrated several notable interservice successes, including wins for Rugby League, Ice Hockey, and Motorsports.

These achievements were made possible against the backdrop of record funding levels from the RAF Central Fund Charity.

This last year marked our first year managing RAF sponsorship, and we have made significant strides. The commercial team has secured contracts across 16 partners, totalling over £200,000, with an additional £26,000 raised through external grant funders and donations.

The success of this initiative is due to the close collaboration between the commercial team and the associations in identifying key assets and setting up the right partnerships.

I extend my heartfelt thanks to everyone who has contributed to this year's successes and to those who have worked tirelessly to build and support the new construct. Here's to a happy, safe, and successful year of sport in 2025!

Mr R Perriam
Chief Executive Officer, RAF Central Fund

"With the help of an RAF Central Fund Enrichment Grant, the Marham Pickleball Club has purchased all the basic equipment required to set up the club. We now have 27 members and meet at least once a week on a Wednesday evening from 7-9pm. Getting involved in a new sport has been a great platform to build friendships and connections."

RAF Marham

"THE SUPPORT HAS BEEN A REAL GAME-CHANGER FOR RAF POWER KITING, GIVING US THE BOOST TO DEVELOP KITESURFING AND TO TAKE THE SPORT TO THE NEXT LEVEL. THANKS TO THIS INCREDIBLE BACKING, WE'VE BEEN ABLE TO INVEST IN TOP-QUALITY EQUIPMENT, RUN BIGGER AND BETTER EVENTS, AND CRUCIALLY, LAUNCH EXCITING INITIATIVES TO BRING NEW MEMBERS INTO THE SPORT."

"The annual grant from the RAF Central Fund plays a crucial role in supporting the RAF Ice Hockey Association's golden thread, guiding newcomers from beginner all the way through to representing the Service. This funding is allocated across various aspects of the Association's activities, starting with the provision of essential protective kit for beginners, which is vital for initiating their participation in the sport."

RAF Ice Hockey

"I HAVE BEEN IN THE RAF FOR 15 YEARS AND BEEN LUCKY ENOUGH TO HAVE THE SUPPORT OF THE SPORTS GRANT FUNDING ALL THE WAY FROM NOVICE LEVEL AS A BOXER TO NOW PART OF THE RAF'S ELITE ATHLETE SCHEME AND A CURRENT MEMBER OF THE SCOTTISH ELITE NATIONAL TEAM. WITH THE SUPPORT OF THE SPORTS GRANT I AM ABLE TO GET THE HELP NEEDED SO AS TO BUY NEW KIT TO GET ME THROUGH EACH COMPETITIVE SEASON AND ASSIST'S ME PERFORMING AT THE HIGHEST LEVEL POSSIBLE."

ROYAL AIR FORCE
cycling

THE TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2024

The Trustees, who are also directors of the Royal Air Force Central Fund for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2024. The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice "Accounting & Reporting by Charities" (FRS102) and in line with current statutory requirements, the Charity's Constitution and applicable Accounting Standards in the United Kingdom.

CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Memorandum and Articles of Association defines the Fund's object as a charity that is:

1. *To benefit generally members or former members of the Royal Air Force and their dependents in such charitable ways as the Trustees think fit.*

2. *To promote the efficiency of His Majesty's Armed Forces in such charitable ways as the Trustees think fit particularly (but not by way of limitation) through encouraging and facilitating the playing of, and participation in, and the provision of or assisting in the provision of facilities for, sport in the Royal Air Force with particular reference to:*
   - *Increasing physical fitness;*
   - *Fostering the esprit de corps; and*
   - *Raising morale*

   Of the members of the Royal Air Force.

This object presents the Trustees with wide powers, enabling them to provide charitable assistance to the RAF Community, primarily via charitable grants.

The core vision of the Fund, to provide support to those serving in the RAF today and on an enduring basis. continues to underpin the ethos and activities of the Charity. From the Fund's origins back in 1919, through to the present day. The Fund has remained steadfast in its duty to support those who serve in the RAF. Working directly alongside those we support ensures the Charity is able to remain focused on and react quickly to their evolving needs through amenities and sports provisions.

VISION

For all serving personnel to develop their full potential through sport and physical activity.

MISSION

To enable all serving RAF personnel to access sporting opportunities and physical activities.

STRATEGIC OBJECTIVES

- Broaden its understanding of how the challenges of service life affect the RAF community with regards to health and fitness.
- Develop and deliver accessible support programmes that reach those most in need.
- Manage the charity as effectively and efficiently as possible.
- Grow and sustain the resources required to meet the needs of the charity's beneficiaries.
- Significantly increase awareness of its work within the RAF community.

PUBLIC BENEFIT

The Trustees recognise the two principles of public benefit and believe that the objectives and activities of the Fund formally meet these principles.

> *For all serving personnel to develop their full potential through sport and physical activity.*

Working towards this vision assists in the promotion of military efficiency which underpins esprit de corps and team working, whilst additionally encouraging personnel to develop their character. spirit and attitude to face challenges and danger associated with military service.

As a result, the Fund provides a benefit not only to its direct beneficiary group but additionally to the general public in helping to provide personnel who are motivated, have high morale and are willing to serve the needs of their country and that of its public at all times.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

2026

PROPERTIES

The Fund continues to enhance and support the lifestyle of serving RAF personnel by providing a range of sport centres and recreational accommodation. Numerous sports and physical activities can be accessed through the use of our sites including water-based sports, racket sports and mountain sports.

FESHIEBRIDGE LODGES

This recreational accommodation located near Aviemore in the Cairngorms National Park is prioritised for serving RAF personnel for holidays, outward bound courses, decompression and access to the abundance of sports and physical activities on the doorstep of the lodges.

With a range of properties to suit small and large parties, the site welcomes over 1000 guests each year and received serving personnel from over 20 RAF stations in 2024.

"GREAT LOCATION AND SET-UP FOR AN ACTIVE FAMILY HOLIDAY IN THE CAIRNGORMS BIKING AND KAYAKING. LODGES SPACIOUS AND WELL DESIGNED."

"FESHIEBRIDGE LODGES ARE THE PERFECT PLACE TO STAY AND EXPLORE THE CAIRNGORMS NATIONAL PARK. THE ACCOMMODATION IS OUTSTANDING AND SUPERB VALUE FOR MONEY. WE HIKED, PADDLE BOARDED, ENJOYED THE LOCH MORLICH BEACH, MADE DENS, WALKED UP A WATERFALL AND ATE SOME AMAZING FOOD (INCLUDING TOASTED MARSHMALLOWS ON THE OPEN OUTDOOR FIRE). WE CAN'T WAIT TO COME BACK!"

HALTON TENNIS CENTRE

The Fund continues to support RAF personnel with a passion or interest in tennis by ensuring this fantastic facility, ideally located near to several RAF stations in the South East, is available for fixtures and training.

The RAF Tennis Association frequently hold tournaments and trial sessions at the centre; with the numerous outdoor and indoor courts, equipment, coaching and, from 2024, pickleball facilities, the property offers a wealth of opportunities to RAF Tennis Association members and other RAF serving personnel.

DANESFIELD

Hundreds of RAF personnel take part in Robson Academy of Resilience training at RAF Central Fund Danesfield each year with attendees taking part in adventurous development activities and experiences. The site also provides personnel with access to grassroots and competitive water-based sports as it is the Home for Sport for the RAF Rowing Club and the RAF Canoeing Association, offering try outs, training, club sessions and events.

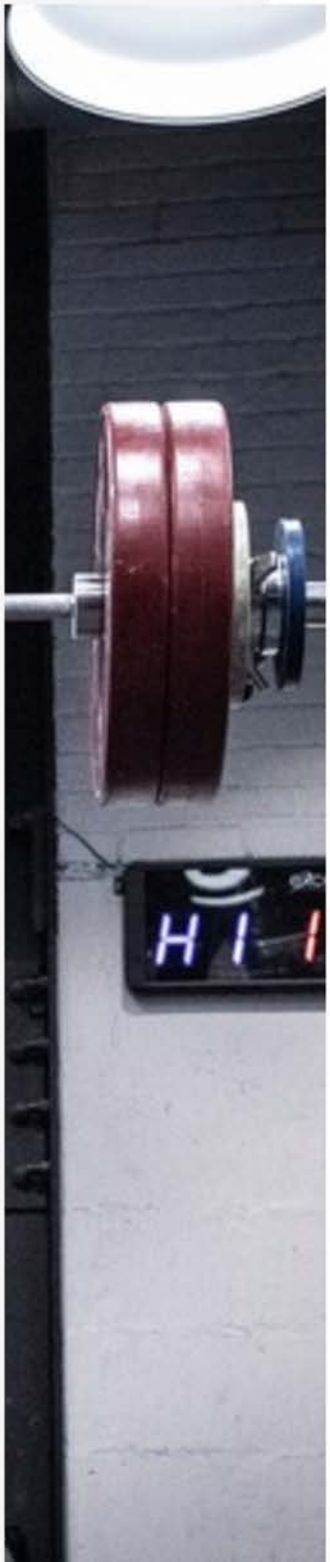
VINE LANE

This site is used to host a number of RAF Cricket fixtures in spring and summer; the Fund is continuing to review possible opportunities to better utilise the site for the benefit of its beneficiaries, whilst taking into consideration the requirements of RAF Sport. The potential financial, reputational and environmental impacts of a change of use are being considered as part of this review.

MUST

PROGRESS AGAINST STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE 1: BROADEN ITS UNDERSTANDING OF HOW THE CHALLENGES OF SERVICE LIFE AFFECT THE RAF COMMUNITY WITH REGARDS TO HEALTH AND FITNESS.



In 2024, the RAF Central Fund broadened its understanding of how the challenges of service life impact the health and fitness of the RAF community. Through our collaboration with 4Global and Sheffield Hallam University, we gained invaluable insights into the positive social value that serving RAF personnel deliver when they engage in sport.

This research reinforced our belief that physical activity plays a crucial role in improving both the well-being of individuals and the wider community.

Understanding that participation in sports not only improves physical fitness but also fosters resilience, teamwork, and leadership, we identified the need to create more opportunities for personnel to engage in physical activity. To ensure we were addressing the right needs, the Fund took proactive steps to engage with key stakeholders.

We met with AVM Edwards, Director of People for the RAF, and the CEOs of the RAF charities to gain a deeper understanding of the specific challenges faced by the RAF and its people. This dialogue enabled us to better align our support with the priorities of both the service and the individuals who serve in it.

Additionally, we held dozens of meetings with sports associations, grassroots personnel stationed across various locations, and the Health and Wellbeing Committee.

These discussions were invaluable in helping us understand how to structure more accessible and effective programmes that support the mission of enabling all serving personnel to participate in sports and physical activity. By listening to the experiences of those directly impacted, we are now better equipped to create initiatives that truly meet the needs of the RAF community.

The outcome of these collaborations has provided the foundation for future programmes, ensuring that health and fitness opportunities are better aligned with the needs of serving personnel, ultimately helping them thrive in both their professional and personal lives.

ATTENDANCE TO SUPPORT THE RAF COMMUNITY IN 2024

70+
BRIEFINGS & MEETINGS

45+
SPORT ASSOCIATION MEETINGS/EVENTS

1
RAF AIRSHOW

STATION ENGAGEMENT DAYS
10+

STRATEGIC OBJECTIVE 2: DEVELOP AND DELIVER, ACCESSIBLE SUPPORT PROGRAMMES THAT REACH THOSE MOST IN NEED.

The Central Fund principally seeks to meet its objectives through the provision of support. Our Grants programme is divided into three primary funding streams, with several activities that steward additional funds through third party funders.

RAF SPORT ASSOCIATION GRANTS AND ACTIVITIES EXPENDITURE

Support funding for RAF Sport Associations continued to be a key pillar in delivery of the Fund's vision and mission.

2024 saw the final year of the latest Joint Planning Process (JPP) funding cycle between the key stakeholders of RAF Sport (the Central Fund and the Directorate of RAF Sport).

Our funding continued to support a thriving network of RAF Sport Associations. From grass roots participation and provision of development pathways, through to competition at all levels, Sport Associations provide fantastic engagement opportunities for serving personnel.

Substantial programmes of activity from a wide variety of sports challenged personnel to develop their physical strength and endurance, enhance their mental resilience and determination and facilitated social connection that boosted communication skills and inspired future athletes, coaches and officials.

VALUED CONTRIBUTIONS BY THE FUND TOWARD THE OPERATING COSTS OF THE SPORTS ASSOCIATIONS:

51
RAF SPORTS ASSOCIATIONS FUNDED

£1,083,000
VALUE OF ASSOCIATION FUNDING

11,656
PERSONNEL SUPPORTED

STATION ENRICHMENT PROGRAMME

Our station enrichment programme continued to go from strength to strength, with more RAF stations/Units supported than ever before.

With grants of up to £50k available, projects established and enhanced station sports clubs including sub-aqua, pickleball, kayaking and sky diving, and supported the installation of key facilities on base such as specialist boxing and satellite gyms, multi-use gaming areas and a padel court.

These along with many other engaging projects, spanning a huge variety of activities, enabled a fantastic number of serving personnel to enhance their personal wellbeing through engaging in physical initiatives.

NUMBER OF 50 ENRICHMENT GRANTS

VALUE OF ENRICHMENT GRANTS £356,944

25 RAF STATIONS / UNITS SUPPORTED

OVER 10,000 PERSONNEL SUPPORTED

70 RAF CENTRAL FUND STATION AMBASSADORS

SPORTS GRANTS PROGRAMME

Our 2024 Sport Grants programme saw the successful introduction of recalibrated funding levels, to maintain our core value of responsible management of our resources to future beneficiaries.

Specialist Sports continued to facilitate discounted purchases for customers referred through our individual programme.

Our number of awards and beneficiary reach continued to increase however the intended impact of our adjusted funding levels resulted in our programme delivering within budget for the first time in over two years.

Following the success of our 2024 delivery at the recalibrated funding levels, it was agreed to sustain funding levels into our 2025 programme. Regular analysis will continue to ensure this programme continues to be sustainable.

12%
INCREASE

3,098
SERVING PERSONNEL SUPPORTED

TOTAL VALUE OF FUNDING AWARDED
(INCLUDING GROUP GRANTS AND SKI CHAMPS)
£624,551

966
RAF LEVEL GRANTS

VALUE OF RAF LEVEL GRANTS
£278,523

1,926
DEVELOPMENT LEVEL GRANTS

VALUE OF DEVELOPMENT LEVEL GRANTS
£303,228

HPA AND ELITE ATHLETE PROGRAMME

Through charitable donations by BAE Systems, the High Performing and Elite Athlete programme, managed with the Directorate of RAF Sport, ensures personnel competing at the top of their field are empowered to represent the RAF and their Nations on the world stage.

30 awards in 2024 enabled top level representation by athletes across 17 different sports/disciplines. From the World Masters of Olympic Weightlifting to Ultra Marathons and Duathlon World Series, personnel demonstrated a range of fantastic physical strength, endurance and mental resilience.

MECHANICS ENDOWMENT FUND (MEF)

The MEF was amalgamated into the Fund in 2007, carrying the restriction that funds can only be utilised to provide benefit to RAF trainees, with an emphasis towards those within engineering disciplines where possible.

Three projects were awarded MEF funding in 2024, to a total value of £74,038. This included continuation of our flying scholarships enabling trainees out of Cosford and surrounding areas to learn new skills and gain experience in gliding and microlight flying.

STEWARDED THIRD-PARTY FUNDING

From 1 January 2024, the Fund took on management of the annual allocation for sport and physical activity provided by the Nuffield Trust for the Forces of the Crown.

Projects from 15 Sports and Stations across the RAF benefitted from over £106k in funding, delivering equipment to enhance facilities and capabilities that directly engage 1139 personnel.

3 MEF GRANTS AWARDED

NUFFIELD AWARDED **£6,663**

ENABLING SUBSTANTIAL PURCHASE AND RENEWAL OF EQUIPMENT ACROSS RAF SPORT

HPA / ELITE ATHLETES ACROSS RANKS **12**

17 SPORTS RECEIVED AN AVERAGE AWARD OF **£914**

STRATEGIC OBJECTIVE 3: MANAGE THE CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE.

In 2024, the RAF Central Fund continued to manage its charity with a strong focus on effectiveness and efficiency, driving growth across multiple revenue streams to support its mission.

A key area of success has been the ongoing promotion of the RAF Sports Lottery, which has played a significant role in increasing funding for the beneficiaries. The Fund has also made significant strides in generating sponsorship partnerships, administering contracts with 16 companies, totalling over £200,000. These sponsorships not only provide much-needed financial support but also strengthen the Fund's relationships with a diverse range of partners, ensuring long-term sustainability.

Running alongside these efforts is the new RAF Sport construct, designed to streamline operations and reduce costs. By eliminating duplication and lowering the financial burden on individual associations, the new structure creates a more efficient and collaborative environment.

This not only reduces administrative overheads but also enhances the overall impact of RAF Sport, ensuring that more resources are directed toward supporting serving personnel.
The finance team has played a crucial role in maintaining and improving the quality of financial management support. Their continued focus on transparent, effective, and accountable financial practices ensures that every pound raised is maximised for the benefit of the RAF community.

Through continuous improvements, the team is able to offer better financial insights, support strategic decision-making, and deliver timely reporting.

Looking ahead, the introduction of new tools like the membership management software - due for launch in 2026 - will bring additional efficiencies and functionality to the Fund's operations.

This system will simplify membership and event management, enhance communications, and provide better reporting, all of which will improve the overall experience for beneficiaries and further support the RAF Central Fund's growth and success.

STRATEGIC OBJECTIVE 4: GROW AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF THE CHARITY'S BENEFICIARIES.

THE RAF SPORTS LOTTERY

In 2024, there was a small decrease in total players from 17,367 to 17,258, this was likely due to a small reduction in sign-ups at the Recruit Training Squadron phase following the implementation of a new briefing session. The overall gross Lottery income for the year was £2.9 million, which exceeded its budget.

The Lottery awards prizes totalled £18,000 each week and there were over 1,040 winners in 2024. The cost of awarding these prizes, together with External Lottery Manager Fees and overhead costs totalled £1,279,798 for the twelve months of play.

For Recruit Training Squadron briefing sessions during 2024, the RAF Central Fund was placed into a new joint-charities brief alongside the Benevolent Fund, RAFA and three insurance/payroll charities. Rather than an individual one-hour slot, a new two-hour session with five briefings taking place followed by a fresher's fair style sign-up was held.

This resulted in a small decrease in sign-ups with the attention of the recruits having to be divided across five competing charity voices.

Steps have been taken to monitor and review the impact of this altered session and, working with the Recruit Training Squadron team, the plan is to re-establish an individual briefing slot in 2025 to improve sign-up rates and engagement with the RAF Sports Lottery.

FUNDRAISING

To supplement income generated by the RAF Sports Lottery, our wider fundraising efforts continue to support our year-on-year position.

Total funds of over £100,000 were raised, made up of generous donations by various partners, from RAF Stations through to individual initiatives by serving personnel.

During 2024, the Fund embarked on a wider journey to scope commercial opportunities with a view to strategically enhance, develop, and introduce future partnerships.

The Fund continues to review and develop its processes across all departments to ensure that beneficiaries receive effective and efficient service and support.

INVESTMENTS

The Investment Strategy seeks to protect and grow in real terms the value of the investment portfolio whilst also ensuring the income distributions received in the year meet the Fund's expected annual expenditure.

The objectives are as follows:

- Provide stable cash distributions
- Avoid material losses
- Grow the Fund's Portfolio
- Support (as prudent) the Fund's Environmental, Social and Governance (ESG) goals

In 2023, we reached the end of Phase 2 of the strategy which involved mandates in cash income producing assets with higher returns and lower duration risk.

Phase 3 2024-2025 will not see a change in strategy but a redeployment of assets to take advantage of the changed environment and continue to build a base of talented core asset managers.

COMMERCIAL

In 2024, the RAF Central Fund took on a new role as the administrative centre for RAF Sport Association sponsorship.

While individual sports retained their direct relationships with sponsors, the Fund's commercial team led on contract negotiations and administrative oversight. This ensured that all sponsorship agreements were properly documented, and sponsor rights and associated fees were fulfilled.

The year saw several high-profile sporting achievements supported by these partnerships, including RAF Motorsport's victory at the Race for Remembrance in a sustainably fuelled race car and RAF Netball's participation in the Akrotiri 7's tournament. These successes demonstrated the growing impact of sponsor support across RAF Sport.

Throughout 2024, the Fund expanded its network of sponsors and partners, securing support from a diverse range of organisations. Notably, it welcomed its first non-defence contractor sponsor, marking a significant milestone in the Fund's efforts to broaden its reach and diversify its partnerships.

This development reflects the growing appeal and professionalism of RAF Sport and the Fund's commitment to securing sustainable, long-term support for its sporting community.

STRATEGIC OBJECTIVE 5: SIGNIFICANTLY INCREASE AWARENESS OF ITS WORK WITHIN THE RAF COMMUNITY.

Throughout 2024, the Fund's Communications and Marketing Department retained its focus on promoting the Charity through an array of awareness raising activities which showcased its fundraising programmes and highlighted opportunities related to the Sports Lottery, so that more serving RAF personnel could benefit from the charitable income generated.

PRESENTATIONS

We continue to promote the work of the Central Fund at a number of presentations and events across the year, on top of regular visits to RAF stations, conferences and Sport Association events.

COMMUNICATIONS PLATFORMS

With a stronger focus aligned to commercial growth, we officially launched a Central Fund LinkedIn channel in 2024, in order to increase connections, converse with existing partners and attract the attention of potential supporters from outside of the current RAF family.

The Fund's social media channels performed steadily over the year, with its two most popular remaining Facebook and Instagram. Content was generated to showcase sport in the RAF, through grant recipient stories demonstrating charitable support, sporting highlights and events to encourage participation in RAF Sports Associations. Total social media following saw a 2% overall growth over the last 12 months.

There has been a noticeable downward trend in followers on Twitter/X; this is in line with the recent global drop in platform users due to changes in content moderation and controversies surrounding its leadership.

In 2024, the RAF Central Fund website saw a dramatic spike in traffic, with page views totalling 222,474 compared to 130,073 in 2023, representing an increase of 71%. This was largely due to the merger and an influx of visitors to the new Sports Association pages. The two main RAF Central Fund newsletters provided open rates of 25% and 35% and were collectively read over 34,000 times.

RAF SPORT AWARDS

The annual awards were hosted at Halton House in 2024 and the Central Fund was delighted to sponsor the Station of the Year Award. The winners were RAF Honington, who were acknowledged for organising their 'Wellness Wednesdays' initiative.

RAF NETBALL
Judo Mats Only
GS

SPORTS ASSOCIATION ACTIVITY

RAF AMERICAN FOOTBALL

In 2024, American Football held 6 fixtures, involving 140 Service Personnel (SP). The team maintained their momentum after winning the 2023 Inter-Service (IS) title, remaining undefeated against the Royal Navy Anchors. They also hosted 3 development camps to broaden squad depth. Despite operational challenges, the sport successfully promoted engagement and performance continuity.

RAF ANGLING

Angling ran over 60 events with participation from over 300 SP. The RAF Boat Team claimed their 19th IS title, while the Drennan Coarse team achieved national success. The sport remained a key contributor to operational effectiveness, with steady engagement and skill development across multiple disciplines.

RAF ARCHERY

Archery saw 12 fixtures and 50 SP involved. Sgt Spinks and CT Inglis earned a team bronze at county level, with Inglis also winning a national indoor silver. Membership has quadrupled since the last funding round, reflecting inclusive growth and increased participation.

RAF ATHLETICS

Athletics held 33 fixtures with 500 SP participating. A major highlight was winning the Tug of War event at the Braemar Highland Gathering in front of the King. Growth was seen across all athletic disciplines, supported by a new symposium focused on female athletes.

RAF BADMINTON

With 9 events and 99 SP engaged, Badminton delivered a clean sweep of UKAF and IS titles. Post-pandemic recovery was evident through renewed committee activity and participation at all competition levels, leading to a strong resurgence.

RAF BASKETBALL

Basketball hosted 20 fixtures with 203 SP involved. The Women's team won their third consecutive IS title, while the U23 Men's team also secured top honours. Veteran involvement was notable, with 30+ participating in the Inter-Station competition.

RAF BOXING

Boxing saw 31 fixtures and 2,000 individuals involved, including spectators. Cpl Arran Devine was awarded elite athlete status. The sport demonstrated comprehensive development from grassroots to elite levels.

RAF CANOEING

Canoeing organised 12 fixtures for 146 SP, combining domestic and overseas programs. Participation spanned five sub-disciplines, encouraging involvement at all levels and fostering elite performance.

RAF CRESTA

Cresta ran 5 fixtures with 14 participants. RAF athletes returned to St Moritz, with Flt Lt Mimi Hobbs finishing second in the prestigious Ladies' Grand National, showcasing top-tier performance in a unique sport.

RAF CRICKET

Cricket held 47 events, drawing 247 SP. The women's team emerged as IS T20 contenders, and numerous players were selected for UKAFCA. Despite weather challenges, the sport saw expanded representation and development.

RAF CYCLING

Cycling hosted 195 fixtures, engaging 232 SP across 10 sub-disciplines. Major wins were recorded in various IS competitions, balancing elite and grassroots involvement despite geographic constraints.

RAF FENCING

Fencing held 4 events involving 100 SP. The Fence4All initiative and Quinquinneil Dinner strengthened community ties. Around 200 competitors took part in the successful RAF Open.

RAF HANG & PARAGLIDING

Ten events included 45 SP, with the team winning the IS Paragliding Development Championship for the third consecutive year. Safety and European competition attendance underlined a comprehensive development approach.

RAF HOCKEY

Hockey conducted 34 fixtures with 200 SP involved. The men's senior team maintained IS dominance. Investment at grassroots and sponsorship supported recognition via Honours Caps.

RAF ICE HOCKEY

Ice Hockey saw 45 fixtures and 140 SP participating. Both men's and women's teams captured IS titles. Regional teams also excelled, contributing to the association winning a top RAF Sport award.

RAF JUDO

Judo hosted 16 events with 66 SP participating. In its relaunch year, the sport achieved full re-engagement, four grassroots gradings, and development of a high-performance team.

RAF LACROSSE

Lacrosse conducted 2 fixtures with 10 SP. Games were played jointly with other services due to small numbers. Participation in the Bath 8s was a seasonal highlight.

RAF MARTIAL ARTS

Martial Arts featured 13 fixtures involving 734 participants. An inclusive championship demonstrated the sport's impact on resilience and leadership, despite persistent line management support challenges.

RAF NETBALL

Netball held 24 fixtures with 254 SP participating. The RAF Masters secured their first IS title since 2018. All four squads remained competitive, supported by ongoing fundraising and sponsorship.

RAF NORDIC

Nordic held 11 fixtures involving 75 SP. A strong IS performance and a GB Rollerski Series victory were highlights. Female participation grew, significantly enriching the talent pool.

RAF OLYMPIC WEIGHTLIFTING

10 fixtures attracted 120 SP. The team won their third consecutive IS title. Several lifters gained individual accolades and national recognition in a standout season.

RAF ORIENTEERING

Orienteering ran 69 fixtures with 40 SP involved. It introduced the IS Urban Orienteering Event and crowned a new male champion. The sport continues rebuilding post-COVID.

RAF POLO

Polo ran 18 events with 32 SP. The intermediate team won the IS title and the seniors beat the Army. The season showcased strong development in emerging talent.

RAF POWERKITING

Powerkiting held 8 events involving 127 SP. The post-COVID resurgence was marked by a successful overseas visit to Zanzibar, and the IS team retained their race trophy.

RAF POWERLIFTING

Powerlifting featured 9 fixtures with 389 involved. The RAF men's team won the IS title. Record numbers and strong alignment with British Powerlifting shaped a standout year.

RAF ROWING

Rowing conducted 24 fixtures with 100 SP forming 43 crews. Crews achieved podium finishes at events like Henley and JSR, demonstrating performance growth across all squads.

RAF RUGBY LEAGUE

Rugby League hosted 24 events involving 250 SP. The men's team won the IS title, and the women completed their first overseas fixture, highlighting the sport's growth.

RAF SQUASH

Squash ran 10 fixtures with 100 SP participating. The RAF Men's team claimed the UKAF IS title, showcasing top-tier performance and competitive excellence.

RAF SWIMMING

Swimming hosted 24 fixtures with 125 SP. Strong showings at the 2024 IS meet solidified the sport's competitive standing and growing presence.

RAF TABLE TENNIS

Table Tennis held 14 events with 100 SP. AS1 Proud led a Tri-Service push to enhance female participation, with engagement notably increasing.

RAF TENPIN BOWLING

Tenpin Bowling ran 18 events with 15 representative players. National and European success stood out. Over 60 attended the RAF Championships, with RAF Cranwell named a central hub.

RAF TENNIS

Tennis featured 16 events with 520 SP. The RAF Championships saw a decade-high 78 entries. Growth in Pickleball and Padel added to its evolving profile.

RAF TRIATHLON

Triathlon hosted 31 events involving 312 SP. Female participation hit record levels. The IS Duathlon, hosted by RAF, became the new UKAF benchmark.

RAF VOLLEYBALL

Volleyball ran 25 fixtures with 135 SP. The RAF Hawks won the IS title. Despite ongoing challenges, the sport is on a steady path to recovery.

RAF WATERSKI & WAKEBOARD

With 16 events and 445 SP, 3 RAF athletes represented Team GB at the European Championships. Grassroots engagement remained strong with over 100 in attendance.

RAF WAVERIDERS (SURFING)

Waveriders held 11 fixtures with 310 SP. Despite the Centre Manager's departure, the committee ensured consistent delivery, preserving quality in service sport engagement.

WORK TOWARDS BECOMING A NET ZERO ORGANISATION

In 2024 the Fund continued its ESG journey.

Some of the steps we took in 2024 were:

- Further improvements to ESG credentials, as well as service, were established with some suppliers and we continue to regularly review deliverables;
- Wherever possible, ESG is now the prime factor when entering or renewing supplier agreements;
- Identifying investment opportunities that align with our ESG objectives as well as our income and growth objectives;
- Implementing an energy awareness campaign at our properties, resulting in a notable reduction of fossil fuel usage across our estate;
- Including ESG considerations in our internal and external policies, including our grant programmes.

We continue to track our carbon footprint to measure our emissions and track our progress.

FUTURE PLANNING

The core vision of the Fund, to support and enrich the lives of those serving in the RAF today and on an enduring basis, continues to underpin the charity's strategic and operational direction. As the board of Trustees continue to refine and prioritise the direction of the Fund, its central vision and mission remains, to enable all serving RAF personnel to access sporting opportunities and physical activities with the aim of developing their full potential.

Within this wide-reaching objective, the following aims have been defined as the next steps of the Fund's strategy and fundamental for the period ending 2025.

- **GROW THE FOOTPRINT OF BENEFICIARIES TO ENCOMPASS A GREATER PERCENTAGE OF SERVING PERSONNEL.**

Throughout 2024 the Fund continued to operate closely with DRS to advance its work in embedding 35 merged Sports Associations into its organisation. We have already taken positive strides in improving the finance, administration and marketing support for these Associations.

Across 2025, we aim to welcome a number of additional Sports Associations, growing our collective footprint and increasing our ability to make improvements which will benefit the totality of RAF Sport.

This includes strengthening our commercial proposition and making us more attractive to potential partners and supporters.

In 2025, the Fund will deliver a Summer Roadshow. We intend to take the energy, passion and joy of our work directly to a number of RAF Stations across the summer months, focusing on those with the biggest footfall to ensure that all serving personnel are aware of the Central Fund and able to access the support we provide.

The event will be a light-hearted occasion with gentle physical activity, healthy food and music to encourage the station to come and visit us. It will focus on educating personnel and influential station figures about our work in a friendly and engaging manner. It will also provide the opportunity to refresh physical branding for the Central Fund across the RAF estate.

Our intention is that this will be an annual event, ensuring that all RAF Stations are visited in the coming years and embedding the Fund further into the RAF community.

- **SIGNIFICANTLY INCREASE THE PROFILE OF SPORT, PHYSICAL ACTIVITY AND THE ROLES OF RAF SPORT / RAFCF WITHIN THE RAF.**

In 2024 the Fund focused its attention on strengthening existing relationships and creating new networks of support to showcase the work achieved by the charity.

Looking ahead, we aim to utilise this momentum and significantly raise the profile of our work by creating and publishing our first ever Impact Report. This annual document will use statistics, testimonials and first-person narratives to highlight what the Fund has achieved across the previous year.

This publication will allow us to engage in more direct conversations with existing partners and perspective supporters by evidencing the stories that are only made possible due to the work of the Fund. It will also support the Fund when having internal conversations with the RAF, showing the central role that we play in the RAF Sport ecosystem.

Additionally, the Fund continues to work on enhancing its website and social media presence. A LinkedIn channel is due to be launched in 2025 to improve connectivity with commercial partners, and the digital package which supports our work will be improved upon across the year.

Finally, we will continue to work with Air Media and RAF News to be more collaborative and opportunistic in regard to increasing our profile. Events such as the 2025 Invictus Games, the RAF Sport Conference and the RAF Sport Awards are planned to be jointly-supported.

- **ESTABLISH THE FOUNDATIONS FOR A 'PROFESSIONAL' SPORTS ECOSYSTEM THAT CREATES THE CONDITIONS FOR RAF SPORT TO THRIVE.**

The main area of focus in 2025 to further professionalise the sports ecosystem will be the implementation of our Membership CRM. The system will provide a secure space to store and manage membership data whilst better enabling RAF Sport Associations to communicate with their members and transact their activity.

We have continued to work closely with DRS to implement a more holistic IT support system to benefit our Associations, reducing the administrative burden and allowing sports to focus on engagement and delivery.

The Fund has focused on commercial relationships in 2024, and in the following year we will aim to secure new kit and equipment partners in order to provide improved selection and accessibility to these items for Sports Associations.

In doing so, we will also be hoping to make the RAF Sport brand more consistent and coordinated, by working with each supplier to ensure that all kit and equipment meet our style guidelines.

Further governance improvements, training and learning sessions, and an enhanced commercial profile will further assist with the creation of a more professional setting for RAF Sport to prosper in.

- **DEVELOP AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF BENEFICIARIES NOW AND IN THE FUTURE.**

Many of the Fund's approaches and suppliers used for the day to day operations of the charity, including its properties, were reviewed and either renegotiated or replaced where an improved service (including those with better ESG credentials) and/or more affordable, appropriate provision was available; these included insurance cover and energy supplies.

A focus area for sustaining resources across the previous year was the enhancement of our commercial product. We will build on this in 2025 and are planning to host our first ever in-person sponsors event at the RAF Club in London.

This will be used as an occasion to connect with, and thank, existing commercial partners – whilst inviting other potential supporters to join us and learn more about RAF Sport and the impact that the Fund is having on the RAF community.

Another area of focus in 2025 will be to consolidate the revenue from the RAF Sports Lottery.

With the increasing uncertainty around the charity brief session at RTS, including the Fund being placed with non-charity partners, we are focused on entering discussions with the RAF to provide a more suitable space for us to be able to communicate with serving personnel at their earliest touchpoint.

We will also be exploring further opportunities with reservists and phase 2 training in order to secure further briefing slots to encourage sign-ups to the Sports Lottery and provide further financial sustainability for our work.

Outside of this, we will continue to provide a calendar of training and support for our Sports Associations, helping them to achieve operational excellence by offering expert guidance and advice. This will cover areas such as design, photography, funding and governance.

750

LEGAL STATUS AND ORGANISATION

CONSTITUTION

The Fund is a registered charitable company limited by guarantee. a company registered in England and Wales 8555984, a charity registered in England and Wales 1152560 and a charity registered in Scotland SC044299.

The Fund has one wholly owned subsidiary, RAF Central Fund Trading Ltd, which became active in 2018, details of which can be found at the end of this report.

GOVERNANCE

The Fund is governed by its Board of Trustees as established within its Memorandum and Articles of Association dated 4 June 2013 (as adopted by a special resolution passed as a written resolution on 24 November 2023). The Articles determine that the Board must consist of a minimum of three Trustees with a condition that a Serving Trustee cannot be appointed to the Board unless the number of non-Serving Trustees is at least equal to the number of Serving Trustees subsequent to the appointment.

Trustees are appointed by election at a Board General Meeting for a three-year term and can serve no more than three consecutive terms. A quorum of Trustees is required for the transaction of business which consists of at least three Trustees, provided that at least two non-serving Trustees are present.

Trustees have established a clear policy and procedures for dealing with conflicts and the authorisation thereof, in accordance with Charity Commission guidelines.

TRUSTEE INDUCTION AND TRAINING

All new trustees receive a personalised induction programme. The programme is designed to cover the key strategic aims of the Charity. its operational framework. finances, and future plans. The induction additionally provides details of the Charity's regulatory and statutory reporting requirements, including those of the Charity Commission, OSCR and Companies House.

The Trustees are invited to an annual 'Away-Day' during which they review any significant updates of regulatory or governance importance. Trustees are encouraged to visit all Fund properties within twelve months of appointment and are invited to attend a Grants Committee and Finance and Risk Committee meeting within the first year of appointment.

Trustees are additionally invited to attend internal and suitable external Trustee training courses to ensure an appropriate and on-going understanding is maintained within the Board with regards to significant issues such as: governance; the role and responsibilities of the Trustees; understanding charity finance and investments; identifying and managing risks and strategic planning.

2024

MANAGEMENT AND COMMITTEES

The Board of Trustees is responsible for setting the strategic direction of the Fund whilst the day-to-day management of the Fund is the responsibility of the Chief Executive Officer.

The Chief Executive Officer has delegated authority to determine operating policies, manage operational planning, and budgets, property and staffing resources to support the strategic and policy framework of the Board and is responsible for the effective and efficient management of the Fund.

Trustees delegate authority to the Chief Executive Officer with unlimited bank payment authorisation restrictions and the Chief Operating Officer to authorise budgeted expenditure to a limit of £100,000 and to approve items of un-budgeted expenditure subject to an individual item maximum of £50,000 where this does not represent more than a 10% variance from approved financial forecasts. Details of significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

The Trustees of the Fund have constituted four Committees: the Finance and Risk Committee, the Grants Committee, the Investment Committee and the Remuneration Committee in accordance with paragraph 12 of the Fund's Articles of Association. The Fund's Trustees set clear terms of reference for the Committees and receive regular reports on their activities.

THE FINANCE AND RISK COMMITTEE

The Trustees delegate the oversight of the Fund's finance and risk governance and policies to the Finance and Risk Committee and ensure these are aligned with the Fund's charitable and strategic objectives. The Committee is required to meet at least biannually and met three times during 2024 to implement the Fund's financial strategy.

The Trustees delegate authority to the Committee to approve budgeted expenditure in excess of £50,000 and major single items of unbudgeted expenditure to a maximum of £50,000. subject to an annual limit of £200,000. Details of all significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

THE GRANTS COMMITTEE

The Trustees delegate the disbursement of grants to the Grants Committee. The Grants Committee is required to meet at least biannually and met to consider awards on three occasions during 2024.

The Fund Trustees have delegated authority to award single grants up to £50,000 within the limits of their annual budget to the Committee. Details of Committee-considered grants are presented to the Trustees at every Trustee meeting.

Where possible, a station contribution is made by capital project applicants and all requests for funding must be supported by an application which includes details of project delivery, maintenance costs and a realistic business case where applicable.

The Fund seeks to work closely with other Service charities such as the Nuffield Trust, the RAF Benevolent Fund, the RAF Charitable Trust and the Royal Air Forces Association to provide maximised benefit to the serving RAF community. For projects that benefit personnel across multiple services, the Fund works closely with the Army and Navy charities to ensure inclusivity across Defence.

THE REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the remuneration of the Fund's senior management and employees.

Meeting annually, the Remuneration Committee provides recommendations to the Board of Trustees with regards to all employee remunerations including key management personnel based on an annual review of sector benchmarks.

The Committee remain cognisant of the Fund's intent to attract and retain talented and committed employees who can help the Fund realise its objectives to maximise support to RAF personnel both now and into the future.

To achieve this the Remuneration Committee seeks to ensure salaries reflect the appropriate market rate of pay for a comparable job in the relevant job market and are subject to regular review to ensure employee rewards remain appropriate.

THE INVESTMENT COMMITTEE

The Investment Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the Funds' investments. The Committee is required to meet biannually and met four times during 2024 to continue the implementation of the Fund's Investment strategy.

The Committee is established to oversee the Fund's investment governance, including philosophy, risk appetite and policies and ensure these are aligned with the Fund's charitable and strategic objectives. The Trustees authorise the Committee to monitor the Fund's investments against the Fund's investment philosophy, risk appetite and policies.

2021

RISK MANAGEMENT

The Trustees conduct a thorough review of the major risks facing the Fund as part of the annual business planning process. This review is designed to identify significant risks to the fund and to implement effective procedures aimed at mitigating these risks and minimising their potential impact.

The process also considers how some of these risks may be turned into opportunities, thereby ensuring the long-term stability and growth of the Fund.

For 2024, the key risks identified were related to income generation, particularly from the sports lottery and the fund's investments. However, thanks to a robust promotional strategy for the lottery, as well as a strategic review of the investments, both lottery and investment revenue performed well throughout the year.

These efforts have helped to ensure that income generation from these sources remained stable and met the fund's expectations.

In addition, the successful merger of 36 charities in January 2024 was an important milestone. While this merger is expected to strengthen the RAF Central Fund, it also introduced a range of associated risks. These risks have remained on the risk register, as they continue to require close monitoring.

The risk committee will assess whether these risks can be considered unlikely to materialise, and once they feel confident that the risks have been adequately mitigated, they will be removed from the register.

Overall, the trustees are committed to maintaining a proactive approach to risk management, ensuring that the fund is well-positioned to handle any challenges while also capitalising on potential opportunities that arise from identified risks. This ongoing process of review and strategic planning is crucial to safeguarding the Fund's future.

8
ROYAL
AIR FORCE
basketball

REVIEW AND FINANCIAL RESERVES

LONG TERM INCOME PROTECTION

The investment strategy provides long term income protection and preserves in real terms the principal value of the investment portfolio to meet expected annual expenditure.

When changes to the market occur, the strategy is reviewed to ensure the funds invested continue to meet forecast yields and estimated income needs.

DIRECT COSTS

Direct costs have routinely been met from unrestricted investment income generated in the year of application. Trustees have therefore been content to maintain zero unrestricted reserves for the RAF Central Fund's activities.

Following the merger with the 36 sports charities, and in line with its reserve policy, unrestricted reserves are held to provide funds for 12 months known expenditure.

The balance of the expendable endowed fund at year-end was £53,053,822 (2023: £49,064,161), of which £47,397,248 (2023: £43,959,251) represented invested funds. Restricted reserves represent £506,418 (2023: £545,292). Designated reserves represent £681,214 (2023: £nil).

The Fund has the following restricted fund:

- Mechanics Endowment Fund

Funds whereby expenditure is restricted for the benefit of RAF trainees, especially those in the engineering disciplines.

- Charitable third party funds

Funds are primarily for the purchase of equipment, training and activities for the RAF Sports Associations and to support its elite sports individuals.

FINANCIAL RESERVES

The application of the long-term income protection policy has historically allowed the Fund to maintain the expendable endowment fund at a level whereby the Trustees have been able to apply a policy of meeting direct expenditure through application of the investment income generated.

For the purposes of this update, the collective organisations of the Royal Air Force Central Fund and the Royal Air Force Central Fund Trading Company, are referred to as the 'Group'.

To generate income to support the enrichment grants programme and Fund administrative, governance and support costs and being cognisant of specialist advice regarding investment income returns, the Board deem it appropriate and necessary to maintain invested reserves at a level of approximately £45-50 million within total reserves of approximately £54 million.

At the year-end the Group held total reserves of £54,241,454 including invested reserves of £47,397,248. The Trustees are content that the closing 2024 reserves balance of £54,241,454 is appropriate, given the current volatility in the investment markets, economic climate and ongoing merger plans.

The reserves policy is subject to annual review. The balance sheet confirms that the Fund has adequate working capital to meet any obligations as they fall due.

The results for the Group are shown on page 62.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS AND AUDITORS

Company law requires the Trustees (who are also directors of the Royal Air Force Central Fund for the purposes of company law) to prepare financial statements that give a true and fair view of the situation of the charitable company at the end of the financial year and of its deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make sound judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and Statements of Recommended Practice 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 will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time. the financial position of the Charity and enable them to ensure the financial statements comply with the Companies Act 2006. the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006.

The Trustees are also responsible for the safeguarding of the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Company law, the Fund's Trustees certify:

- There is no relevant audit information of which the Fund's auditors are unaware.
- The Trustees of the Fund have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of the information.

RAF Central Fund complies with the Fundraising Standards Board Requirements and only utilising agencies that are compliant with the Fundraising Regulations. We aim to meet the highest standards so that supporters and volunteers give and fundraise for the Fund with confidence. No complaints have been received in respect of fundraising during 2024.

AUDITORS

Richard Place Dobson Services Ltd acted as the Fund auditors during the year.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The Trustees' and Strategic Report for the year ended 31 December 2024 was approved by the Trustees in their capacity as the Company Directors and signed on behalf of the Trustees:

Group Captain (Ret'd) M Williams
Trustee and Member of the Finance and Risk Committee

Dated: 25 September 2025

ROYAL
R FORCE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROYAL AIR FORCE CENTRAL FUND

Opinion

We have audited the financial statements of The Royal Air Force Central Fund (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows, the charitable company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2024 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations2006 (as amended)..

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 group and parent 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, including the strategic report, has 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 the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees and Directors' 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' rresponsibilities sstatement, the trustees, who are also directors 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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We have made enquiries of management, and trustees, regarding the procedures relating to identifying, evaluating and complying with

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

We obtained an understanding of the legal and regulatory framework that the Parent Charitable Company and its subsidiaries operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Parent Charitable Company and its subsidiaries. The key laws and regulations we considered in this context included the UK Companies Act, The Charities Act and the Charities and Trustees Investment (Scotland) Act, data protection regulations, employment legislation, lottery and gaming regulations and taxation laws and regulations.

Discussion was had with management and the directors and amongst the engagement team to gain an understanding of the entities current activities, authorisation procedures and effectiveness of the control environment. Our understanding was tested during the audit work and the systems and controls in place were found to be operating effectively.

The engagement partner has reviewed the team selected to undertake the engagement and ensure that they have sufficient competence and are capable of identifying and recognising non-compliance with laws and regulations. No non-compliance was identified.

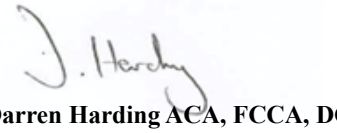
Discussion among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud and / or error in the following areas:

Risks identified	Audit response
Valuation of Investments	Audit Procedures included, but not limited to, obtaining and reviewing investment reports from investment managers, completing a review of controls of each investment manager, obtaining confirmation that title of investments was held by the Charitable company.
Management override of controls	Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions entered into outside of the normal course of business.
Revenue recognition	Audit procedures performed included but were not limited to performing walk through tests to identify the control procedures in place and once an understanding of the revenue recognition process was gained, substantive tests were carried out using a sample basis to ensure the revenue existed and was complete in the accounts. Cut off testing was also performed to ensure sales were recorded in the correct period.
Accounting treatment of Property	Audit procedures performed included but were not limited to enquiring with management the basis on which rental property was recognised in the accounts and verifying that the explanations given were valid.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Date: 26/09/2025

Darren Harding ACA, FCCA, DChA (Senior Statutory Auditor)

For and on behalf of Richard Place Dobson Services Limited

Chartered Accountants
Statutory Auditor

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

THE ROYAL AIR FORCE CENTRAL FUND

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 December 2024

	Note	Unrestricted Fund £	Designated Fund £	Expendable Endowment Fund £	Restricted Fund £	Total 2024 £	Total 2023 £
Income	2						
Donations		100,074	115	-	6,400	**106,590**	303,191
Charitable Activities		369,594	292,787	-	131,370	**793,751**	328,206
Raising Funds		3,243,424	-	-	-	**3,243,424**	3,109,099
Investment Income		1,661,954	-	-	7,990	**1,669,944**	1,244,157
Other Income		18,977	787,378	-	19,154	**825,510**	1,157,342
Total Income		**5,394,023**	**1,080,280**	**-**	**164,915**	**6,639,218**	6,141,995
Expenditure	3						
Charitable Activities		3,133,713	399,066	-	203,788	**3,736,567**	3,298,480
Raising Funds							
Sports Lottery Operations & Fundraising		1,282,604	-	-	-	**1,282,604**	1,246,543
Trading Activities		193,591	-	-	-	**193,591**	108,209
Investment Management Costs		-	-	509,937	-	**509,937**	384,800
Total Expenditure		**4,609,907**	**399,066**	**509,937**	**203,788**	**5,722,698**	5,038,032
Net gains on investments		-	-	2,785,222	-	**2,785,222**	1,988,686
Net Income/(Expenditure)		**784,116**	**681,214**	**2,275,285**	**-38,874**	**3,701,741**	3,092,648
Introduction of a pension Liability Actuarial (losses) on defined benefit pension schemes							-66,000
Transfers between Funds		-1,714,376		1,714,376			-
Net Movement in Funds		**-930,260**	**681,214**	**3,989,661**	**-38,874**	**3,701,741**	3,026,648
Total Funds Bought Forward		930,260		49,064,161	545,292	**50,539,713**	47,513,064
Total Funds Carried Forward		-	681,214	53,053,822	506,418	**54,241,454**	50,539,713

The Statement of Financial Activities contains all gains and losses recognised in the year, all income and expenditure derive from continuing activities.

The notes on pages 64 to 81 form part if these financial statements

THE ROYAL AIR FORCE CENTRAL FUND

Consolidated and Charity Balance Sheets as at 31 December 2024

	Note	Expendable Endowment Fund £	Designated Fund £	Restricted Fund £	Unrestricted	Group Total 2024 £	Group Total 2023 £	Charity Total 2024	Charity Total 2023
Fixed Assets:									
Intangible Assets	8	117,446		-		**117,446**	15,000	**117,446**	15,000
Tangible Assets	9	1,520,266	-	-		**1,520,266**	1,592,166	**1,520,266**	1,592,166
Heritage Assets	9	7,000	-	-		**7,000**	7,000	**7,000**	7,000
Sports Equipment Assets			265,053	28,335		**293,388**	-	**293,388**	-
Investments	10	45,958,520	-	371,962	1,066,766	**47,397,248**	43,959,249	**47,397,249**	42,977,024
Total Fixed Assets		**47,603,232**	**265,053**	**400,297**	**1,066,766**	**49,335,348**	45,573,415	**49,335,349**	44,591,190
Current Assets:									
Debtors	11	1,960,259	-	-	-	**1,960,259**	2,424,420	**1,932,066**	2,284,343
Cash at Bank and in Hand		3,451,311		-	-	**3,451,311**	3,256,212	**3,259,177**	3,017,841
Investments	10	-	-	-		**-**	-	**-**	-
Total Current Assets		**5,411,570**	**-**	**-**	**-**	**5,411,570**	5,680,632	**5,191,243**	5,302,184
Creditors: Amounts Falling due Within One Year	12	505,465	-	-	-	505,465	304,334	324,418	218,842
Net Current Assets		**4,906,105**	**-**	**-**	**-**	**4,906,105**	5,376,298	**4,866,826**	5,083,342
Total Assets less Current Liabilities		**52,509,337**	**265,053**	**400,297**	**1,066,766**	**54,241,454**	50,949,713	**54,202,175**	49,674,532
Pension Liability						**-**	410,000		205,000
Net Assets		**52,509,337**	**265,053**	**400,297**	**1,066,766**	**54,241,454**	50,539,713	**54,202,175**	49,469,532
Reserves	13								
Expendable Endowment Fund		53,053,822				53,053,822	49,064,161	53,014,543	49,031,522
Restricted Funds				506,418		506,418	545,292	506,418	438,010
Designated Funds			681,214			681,214	-	681,214	-
Unrestricted Funds					-	-	930,260	-	-
Total Funds		**53,053,822**	**681,214**	**506,418**	**-**	**54,241,454**	50,539,713	**54,202,175**	49,469,532

The Financial Statements were approved by the board of Trustees on 25th September 2025 and were signed on their behalf by:

Group Captain (Ret'd) M Williams **Trustee**

Trustee and Chair of the Finance and Risk Committee

Companies House registration number 8555984

The notes on pages 64 to 81 form part if these financial statements

THE ROYAL AIR FORCE CENTRAL FUND

Consolidated Statement of Cash Flows for the year ended 31 December 2024

	2024 £	2023 £
Cash flow from Operating Activities		
Net cash used in operating activities	-796,823	-2,614,866
Cash flows from Investing Activities:		
Dividend Receipts	1,669,944	1,235,670
Investment management costs		-168,473
Fixed assset Additions	-44,048	-9,926
Intangible fixed asset additions	-109,946	-15,000
Proceeds from Sale of Investments	9,319,700	12,300,926
Payment to Purchase Investments	-10,309,368	-10,294,403
Merger Cash In Bank	465,640	146,100
Net cash provided by investing activities	991,922	3,194,894
Change in Cash & Cash Equivalents	195,099	580,028
Cash & Cash Equivalents at 1 January	3,256,212	2,676,184
Cash & Cash Equivalents as at 31 December	**3,451,311**	**3,256,212**

Notes to the Cash Flow Statement

Reconciliation of net Income to net cash flow from operating activities	2024 £	2023 £
Net income for the period	3,701,741	3,026,648
Adjustment for:		
Donation	-770,483	-1,150,805
(Gains) on Investments	-2,785,222	-1,988,686
Investment Income	-1,669,944	-1,244,157
Investment Management Fees	336,891	384,800
Depreciation/Amortisation	131,139	88,783
Decrease/(Increase) in Debtors	464,161	-1,748,874
(Decrease) in Other Creditors	201,131	-88,591
Pension paid	-410,000	66,000
Loss on disposal of asset	3,762	40,016
Net Cash used in operating activities	**-796,823**	**-2,614,866**

Analysis of Cash & Cash Equivalents

	31 December 2023 £	Cash flow £	31 December 2023 £
Cash in hand	3,256,212	195,099	3,451,311
Total Cash & Cash Equivalents	**3,256,212**	**195,099**	**3,451,311**

Notes to the Financial Statements for the Year to 31 December 2024

Principal Accounting Policies 2024

The group financial statements have been prepared in accordance with the charity's memorandum & articles of association, the Companies Act 2006 and the "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 (FRS102) effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The Consolidated financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial stements are rounded to the nearest £.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Trustees consider it appropriate for these accounts to be prepared on the going concern basis.

The trustees have considered detailed cash flow projections to 30 June 2026 and have considered detailed budgets for the year ended 31 December 2025. Both sources of income and types of expenditure have been considered. Whilst one of the main charitable purposes of the Fund is to support current RAF personnel through individual grants and grants to the sports associations, the level of this necessary expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Historical Cost Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market values and are in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (FRS102)”, applicable Accounting Standards and the Charities Act 2011.

Consolidation

The consolidated group financial statements consist of the financial statements of Royal Air Force Central Fund, together with the following entity controlled by the trust Royal Air Force Central Fund Trading Ltd (its subsidiary). All financial statements are made up to 31 December 2024.

Where necessary, adjustments are made to the financial statements of the subsidiary’s to bring the accounting policies in line with those used by the holding Trust.

All intra-group transactions, balances and unrealised gains on transactions between the group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries are consolidated in the group’s financial statements from the date that control commences until the date that control ceases.

On the 1st January 2024 the Royal Air Force Sports Federation and 35 RAF Sports Associations merged with the Royal Air Force Central Fund.

Notes to the Financial Statements for the Year to 31 December 2024

Income

Donations received are mostly made of mess funds returned and freely given donations, which are recognised on receipt.

Raising funds income is mainly derived from the Lottery Income and is recognised when the lottery draw takes place. Sponsorship Income is recognised in line with the sponsors instructions. It also includes the rental income from the Feshiebridge properties which is recognised in the month the rental happens.

Investment income is accounted for on an accrual basis and comprises dividend income and interest on cash deposits.

Charitable activities income is mostly restricted grants received for the sports, Grant in Aid to support the charity in its work and Sports Association activities generated funds.

Other income consists of unrestricted and restricted merger donation and bank interest which is recognised on an accruals basis in accordance with the income recognition requirements of FRS102.

Legacies are recognised on receipt or otherwise if the charitable company has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the charity to make payment. All costs have been directly attributed to the functional categories of expenditure in the Statement of Financial Activities.

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Costs of raising funds includes investment manager's fees, the costs of running the RAF Sports Lottery, including prizes and the costs incurred in marketing the Sports Lottery. As well as the costs related to renting the Feshiebridge properties and associated management costs.

Charitable activities consists of grant awards and sports activities expenditure and associated direct and indirectly allocated support costs. Grants payable are charged to the Statement of Financial Activities in the year in which the payment is made to the recipient.

Support costs consist of salary and other expenditure incurred to facilitate the administration and governance of the charity. Support costs are directly attributed to activities where it is possible to allocate to the activity on a basis of use of resource. Where it is not possible to directly attribute support costs, these are apportioned by the estimated percentage of time utilised by employees on each activity.

Taxation Status

The charity is exempt from corporation or income taxation based on the charity applying all of its income and gains for wholly charitable purposes.

Notes to the Financial Statements for the Year to 31 December 2024

Intangible Fixed Assets

Intangible Fixed assets are measured at cost less accumulated amortisation.

Software development costs are recoginsed as an intangible asset when all of the following criteria are demonstrated:

- How the software will generate probable future economic benefits;
- The availability of adequate resources to complete the development and use the software;
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The intangible assets are amortised over the following useful economic lives:

Software development costs 2 years

Intangible assets are not subject to amortisation in the year of recognition, with a full year charged each period thereafter.

Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Due to the unique nature of the charity's properties, they are held at carrying value as there is no available market value or methodology to reliably measure their fair values. The Trustees consider that the realisable value of the property is well in excess of its carrying value and accordingly any depreciation charge is immaterial.

It is the Fund's policy to capitalise all assets with a combined purchase value in excess of £5,000.

Depreciation is calculated on cost less estimated residual value on a straight line basis across the expected useful life of the asset class:

Website and Application Development Costs	2 years
Computers and Information Technology	3 years
Fixtures & Fittings	10 years
Buildings	30 years
Sports Equipment	2 -10 Years

Depreciation is not charged in the year of acquisition, with a full year charged in the year of disposal.

Heritage Assets

The charity owns two paintings which hang in the Ministry of Defence building in London. These have been valued at their estimated insurance value and are not depreciated (est value: £7000).

Notes to the Financial Statements for the Year to 31 December 2024

Investments and Gains and Losses on Investments Assets

Quoted investments and investment property are stated at market value at the balance sheet date.

Gains and losses arising on investment assets, both through sale and changes in valuation, are taken to the Statement of Financial Activities in the year they occur. Gains include cash rebates received by the charity for retail investment management fees arising from holding in-house funds; the charity pays institutional investment management fees based on the capital value of the charity's investment portfolio.

Funds Structure

The expendable endowment fund represents the original capital of the charity. This is maintained wherever possible. Income from the endowment fund is unrestricted.

The restricted fund represents the Mechanics Fund, where funds may only be used for the benefit of trainees, especially those in the engineering disciplines as well as other restricted funds specific to the sports activities the grant was given for.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives. The surplus for the year arising on RAF Central Fund activities is transferred to the expendable endowment fund at the end of each year.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and use of the designated funds are set out in the notes to the financial statements.

Financial Instruments

The charitable company only has financial assets and liabilities of a kind that qualify as a basic financial instruments. Basic financial instruments are initially recognised at the transaction value and subsequenty measured at their settlement value.

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at the transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic Financial Liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Notes to the Financial Statements for the Year to 31 December 2024

Basic Financial Liabilities (Continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operationsfrom suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Pensions

The Fund operates a defined contribution workplace pension scheme for the benefit of all eligible employees. The assets of the scheme are administered by an independent pension provider, with employer pension payments recognised as an expense during the year of payment.

The Principal Civil Service Pension Scheme (PCSPS) has been closed and all outstanding pension liabilities have been settled.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense
The costs of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The main judgement in the accounts is :

Properties which are rented out are to be Fixed assets of the property rather than investment properties on the basis that they are held to provide accommodation for service personnel first and only if there is spare capacity are they rented out to the general public. On this basis the properties are carried in the accounts at cost.

The main estimates included in the accounts are:

The valuation of investments, which are included at market value as provided by 3rd party valuers.

The estimated residual value of property is considered by the trustees to be in excess of the carrying value , which it is included in the accounts at. There is therefore no depreciation charge currently on buildings.

Notes to the Financial Statements for the Year to 31 December 2024

Foreign Currency accounting policy

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange rate differences are taken into account in arriving at the net incoming resources.

Operating Leases accounting policy

Rentals payable under operating leases, including any lease incentives received, are charged to income or expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the year-ended 31 December 2024

Note 1 Statement of Financial Activities Analysis for the year-ended 31 December 2023

	Unrestricted Fund	Expendable Endowment Fund	Restricted Fund	Restated Total 2023
	£	£	£	£
Income				
Donations	189,289	-	113,902	**303,191**
Charitable Activities	328,206	-	-	**328,206**
Trading Activities	3,109,099	-	-	**3,109,099**
Investment Income	1,235,670	-	8,487	**1,244,157**
Other Income	1,062,507	-	94,835	**1,157,342**
Total Income	**5,924,771**	-	**217,224**	**6,141,995**
Expenditure				
Charitable Activities	3,149,427	-	149,053	**3,298,480**
Raising Funds				
Sports Lottery Operations & Fundraising Trading	1,246,543	-	-	**1,246,543**
Trading Activity	108,209	-	-	**108,209**
Investment Management Costs	-	384,800	-	**384,800**
Total Expenditure	**4,504,179**	**384,800**	**149,053**	**5,038,032**
Net gains on investments	-17,694	2,006,380	-	**1,988,686**
Net Income/(Expenditure)	**1,402,898**	**1,621,580**	**68,171**	**3,092,648**
Introduction of a pension Liability				
Actuarial (losses) on defined benefit pension	**-66,000**	**-**	**-**	**-66,000**
Transfers between Funds	-406,638	406,638	-	**-**
Net Movement in Funds	930,260	**2,028,218**	**68,171**	**3,026,648**
Total Funds Bought Forward	930,260	47,035,943	477,121	**48,443,324**
Total Funds Carried Forward	930,260	49,064,161	545,292	**50,539,713**

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the year-ended 31 December 2024

Note 2 Income

	Analysis	2024 £	2023 £
Donations	Donations	**100,190**	189,289
	Restricted Donations	**6,400**	113,902
	Total	**106,590**	303,191
Charitable Activities	Returned Grants and Grants Received	**22,809**	101,272
	Restricted Grants	**131,370**	-
	Grant In Aid	**346,785**	226,935
	Sports Association Activities Income	**292,787**	-
	Total	**793,751**	328,206
Raising Funds	Lottery Ticket Sales	**2,982,915**	2,943,699
	Other Trading Income	**260,509**	165,399
	Total	**3,243,424**	3,109,098
Investment Income	Dividends on Investments	**1,661,954**	1,235,670
	Restricted Dividends on Investments	**7,990**	8,487
	Total	**1,669,944**	1,244,157
Other Income	Miscellaneous Receipts	**49,765**	6,537
	Unrestricted Merger Donation	**751,329**	1,055,970
	Restricted Merger Donation	**19,154**	94,835
	Sale of Fixed Assets	**5,262**	-
	Total	**825,510**	1,157,342

Note 3 Expenditure

	Analysis	2024 £	2023 £
Raising Funds	RAF Sports Lottery Operations	**1,279,798**	1,243,516
	Fundraising Activity	**2,806**	3,028
	Investment Management Fees	**509,937**	384,800
	Trading Company Activity	**193,591**	108,209
	Total	**1,986,131**	1,739,552
Charitable Activities*	Enrichment Facilities and Projects	**214,815**	153,481
	Sports Association Grants	**886,930**	1,520,340
	Sport Associations support Services	**225,794**	277,710
	Development Through Sports Grants	**1,005,542**	891,781
	Sports Facilities	**512,203**	452,604
	Grants to Service Support Charities	**-**	2,565
	Sports Associations Activities Expenditure	**891,283**	-
	Total	**3,736,567**	3,298,480

* See Note 4 for analysis of support costs

The numbers above include restricted expenditure amounting to £203,788 broken down as follows
Under Enrichment Facilities and projects restricted funds represent £23,445
Under Sport Association Grants restricted funds represent £49,680 (2023:£101,455)
Under development through Sports Grants restricted funds represent £77,021 (2023:£12,500)
Under sports facilities restricted funds represent £14,457 (2023:£35,098)
Under Sports Association Activities restricted funds represent £39,185

Net Movement in Funds

Net income is arrived at after charging / crediting: Depreciation, profit / loss on sale of assets, operating lease payments

Net Movement in funds is stated after charging/(crediting)

	2024	2023
	£	£
Depreciation on tangible fixed assets	123,639	79,530
Operating lease rentals	6,964	-
Profit/loss on disposal of fixed assets	3,762	40,016
Realised gain/loss on investment holdings	-272,799	861,694

Note 4 Support Costs

	Raising Funds	**Charitable Activity**	**Total Cost 2024**	2023
	£	**£**	**£**	£
Staff Costs	126,025	650,194	**776,218**	702,714
Other Costs	58,639	913,179	**971,818**	311,937
Governance Costs	-	83,851	**83,851**	116,344
Total	184,663	1,647,224	**1,831,888**	1,130,994

The support cost elements of staff and other expenses have been attributed on a basis consistent with the use of resources. Where costs cannot be allocated directly to activities, they are apportioned by the estimated percentage of time spent by each employee on each activity.

Support costs are included in the overall expenditure totals for each activity at Note 3.

Note 5 Audit Fees

	2024	2023
	£	£
Auditors' Fees for Reporting on the Accounts - Charity	**20,100**	19,200
Auditors' Fees for Reporting on the Accounts - Trading Subsidiary	**3,600**	2,400
Auditors' Fees for Reporting on the Accounts - Sports Federation Subsidiary	**-**	7,500
Fees payable to previous auditors - Sports Federation Subsidiary	**-**	4,554
Other fees payable to auditors	**2,100**	1,500
	25,800	35,154

Note 6 Trustees & Employees

6.1 Staff Costs	**2024**	2023
	£	£
Wages and Salaries	**676,590**	623,240
Employer's National Insurance Costs	**69,046**	62,898
Employer's Pension Costs	**30,580**	16,576
Total Staff Costs	**776,218**	702,714

Note 6.1 (continued)

1 employee earned between £60,001 and £70,000 during the period (2023: 1)
1 employee earned between £70,001 and £80,000 (2023: Nil)
1 employee earned between £100,001 and £110,000 during the period (2023: 1)
No employee earned between £110,001 and £120,000 during the period (2023:1)

The Fund made payment to its key management personnel of £186,328 during 2024 (2023: £290,028).
The members of key management role are considered to be 1 CEO and 1 COO.

6.2 Average Headcount

	2024 Average	2023 Average
Full-Time	**11.00**	12.00
Part-Time	**5.00**	4.00
Total	**16.00**	16.00

6.3 Payments to Trustees

Trustees neither received nor waived any emoluments during 2024 (2023: £nil). Out of pocket expenses were reimbursed to Trustees amounting to £2,828.71 (2023: £419).

Note 7 Grants and Sports Activities Programme

	Direct Activities 2024 £	**Grants 2024 £**	**Support Costs 2024 £**	**Total 2024 £**	**Total 2023 £**
Enrichment Facilities and Projects	-	43,482	171,333	**214,815**	**153,481**
Sports Association Grants	-	634,663	252,267	**886,930**	**1,520,340**
Sport Associations support Services	-	-	225,794	**225,794**	**277,710**
Development Through Sports Grants	-	829,617	175,925	**1,005,542**	**891,781**
Sports Facilities	56,373	223,019	232,811	**512,203**	**452,604**
Grants to Service Support Charities	-	-	-	**-**	**2,565**
Sport Activities expenditure	891,283	-	-	**891,283**	**-**
Total	**947,655**	**1,730,781**	**1,058,130**	**3,736,567**	**3,298,481**

Note 7 Grants (continued)

Grants made to Institutions

Grants Institutions with a value in excess of £25,000 are shown individually:

	Grant Award 2024 £	Grant Award 2023 £
RAF Akrotiri	**-**	78,973
RAF Cosford	**54,246**	48,688
RAF Cranwell	**20,072**	56,548
RAF Crickhowell	**66,224**	-
RAF Halton	**2,340**	33,038
JSSU Cyprus	**26,500**	-
RAF Leeming	**47,595**	13,938
RAF Marham	**24,320**	41,292
RAF Odiham	**43,616**	-
RAF Wittering	**9,150**	34,436
RAF Angling Association	**-**	54,283
RAF Bobsleigh, Luge and Skeleton Association	**84,768**	110,563
RAF Equitation Association	**29,985**	34,460
RAF Football Association	**39,605**	48,990
RAF Gliding & Soaring Association	**36,082**	44,057
RAF Golf Association	**30,099**	34,599
RAF Microlight Flying Sports Association	**24,250**	31,490
RAF Motor Sports Association	**89,733**	87,233
RAF Nordic Association	**-**	26,359
RAF Rowing Association	**-**	11,587
RAF Sailing Association	**58,949**	60,353
RAF Small Arms Association	**53,125**	53,125
RAF Sports Parachuting Association	**18,877**	36,883
RAF Swimming Association	**-**	38,811
RAF Waterski & Wakeboard Association	**-**	27,111
RAF Winter Sports Association	**61,452**	89,503
Others	**909,793**	535,912
Total Grants	**1,730,781**	1,632,232

During the year 3,098 Grants were made to Individuals (2023: 2,766) at a value of £624,251 (2023: £698,603) to enable access to sport and physical activity.

Note 8 Intangible Fixed Assets Group and Charity

	Software Development
	£
Cost bought forward at 1 Jan 24	58,387
Additions	109,946
Disposals	
Cost carried forward at 31 Dec 24	**168,333**
Amoritisation bought forward at 1 Jan 24	43,387
Provision for Year	7,500
Released on disposal	
Amortisation carried forward at 31 Dec 23	**50,887**
Net Book Value bought forwards at 1 Jan 24	15,000
Net Book Value carried forwards at 31 Dec 24	**117,446**

Note 9 Group and Charity Tangible Fixed Assets

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Sports Equipment	Total
	£	£	£	£	£	£
Cost bought forward at 1 Jan 24	1,661,484	25,150	242,154	7,000	-	1,935,788
Transfers from merged associations	-	-	-	-	304,840	304,840
Additions	-	5,929	-	-	38,119	44,048
Disposals	-	-10,007	-756	-	-11,594	-22,357
Cost carried forward at 31 Dec 24	**1,661,484**	**21,072**	**241,398**	**7,000**	**331,365**	**2,262,319**
Depreciation bought forwards at 1 Jan 24	195,548	17,349	123,725	-	-	336,622
Provision for year	49,665	3,949	24,196	-	45,829	123,639
Released on disposal	-	-10,007	-736	-	-7,852	-18,595
Depreciation carried forwards at 31 Dec 24	**245,213**	**11,291**	**147,185**	**-**	**37,977**	441,666
Net Book Value bought forwards at 1 Jan 24	1,465,936	7,801	118,429	7,000	-	1,599,166
Net Book Value carried forwards at 31 Dec 24	**1,416,271**	**9,781**	**94,213**	**7,000**	**293,388**	**1,820,653**

All Intangible and tangible fixed assets belong to the charity.

Freehold land and buildings consists of the charity's properties at: Vine Lane; Danesfield and Feshiebridge Lodge.

The Fund additionally owns the Halton Tennis Centre. In 2007 the Trustees signed a 999 year agreement to lease the Centre to the RAF Lawn Tennis Association. The agreement places the responsibilities for the maintenance, insurance and upkeep of the property with the Association as the tenant. In accordance with FRS102, the carrying value of the Halton Tennis Centre, being the cost of purchase of the Centre from the Secretary of State in 2007 of £255,200 is not recognised in the financial statements as the charity has no rights or responsibilities with regards to the property until the lease completes in 3006.The trustees are reviewing the lease arrangement with the goal of securing more benefits for serving personnel.

Vine Lane was donated to the Fund on 1 July 1964 and is currently utilised under licence from the Fund by the RAF Cricket Association as the Home for Sport for RAF Cricket.

The land at Danesfield was originally purchased in conjunction with the Nuffield Trust for the Forces of the Crown ('the Nuffield Trust'). The site was wholly made over to the Fund under a deed dated March 1982, with the Fund acquiring the totality of the site for a cost of £26,300. The site is currently utilised under licence from the Fund by the RAF Rowing and Canoeing Associations as the Homes for Sport for RAF Rowing and Canoeing and by 22 Group (RAF) to provide facilities for force development and adventurous training for RAF personnel.

Feshiebridge Lodge was purchased in 1989 for £139,187. The asset has been included in the balance sheet at £139,187. Originally purchased as an adventure training centre, the Lodge is now wholly focussed on providing an enrichment welfare and recreational centre for personnel and their families. Work was completed on the site in 2020. Costs incurred were £1,489,947.

Note 10 Investments

10.1 Fixed Assets Investments	**2024**	2023
	£	£
Carrying value bought forward	43,959,249	44,184,923
Additions to investments at cost	10,309,368	10,302,892
Disposals at carrying value	-9,319,700	-12,300,926
Management Fee	-336,891	-216,326
Realised gain/(loss) on sale	272,799	-861,694
Unrealised revaluation movement	2,512,423	2,850,380
Carrying value carried forward	**47,397,248**	43,959,249
Historic cost as at 31 December	**36,898,517**	40,153,733

10.2 Analysis of Investments	**Market value 31 December 2024**	Market value 31 December 2023	**Income from Investments 2024**	Income from Investments 2023
	£	£	**£**	£
CCLA Investments	**163,938**	155,948	**7,990**	8,487
Blackrock Charinco Common Investment Fund	**11,031**	11,542	**467**	467
Insight Global ABS Fund	**1,865,106**	1,813,809	**105,286**	94,851
Savills - Charities Property Fund	**2,730,258**	3,620,501	**173,283**	235,388
Marathon - Distressed Credit Fund	**1,805,410**	2,489,609	**333,037**	117,637
Ardevora	**-**	1,368,193	**24,908**	20,147
Baillie Gifford	**-**	1,229,742	**-**	6,789
LGIM	**21,852,228**	15,794,878	**481,596**	317,629
Barings	**-**	-	**-**	88,111
Beachpoint	**-**	-	**2,326**	-
Knightsbridge	**1,524,190**	954,414	**-**	-
JP Morgan -IIF Uk 1	**-**	5,065,831	**473,981**	283,916
IFM	**6,958,250**	6,597,002	**-**	30,366
Marathon Secured	**1,352,338**	763,516	**-**	2,639
Blackstone	**807,977**	617,904	**5,317**	7,782
Napier Park	**3,925,163**	2,494,137	**-**	-
Pantheon	**905,277**	-	**-**	-
Marathon SPS	**986,750**	-	**1,055**	-
Clear ocean	**675,999**	-	**-**	-
Golub	**746,987**	-	**25,130**	-
BLK Charities Uk	**4,105**	-	**-**	-
CCLA CO284-283	**15,476**	-	**1,257**	-
Blackrock Armed Forces Charities Growth & Income Fund	**1,066,766**	982,225	**34,310**	29,950
Group and Charity Total	**47,397,248**	43,959,251	**1,669,944**	1,244,159

All of the investments belong to the charity

10.3 Investment in subsiduaries

	2024	2023
Brought forward and carry forward value	£1	£1

The Investment is in the the Royal Air Force Central Fund Trading Limited, which is a company registered in England and Wales Its registered number is 8747522, its principal activity is the letting of the charity's Feshiebridge property.

10.4 Material Investment Holdings

The following investments represent material holdings in excess of 5% of the portfolio at the period end within the total investment portfolio (excluding direct property investments):

	Market Value £	Percentage of Portfolio
Savills - Charities Property Fund	**2,730,258**	**6%**
LGIM	**21,852,228**	**46%**
Napier Park	**3,925,163**	**8%**
IFM	**6,958,250**	**15%**

Note 11 Debtors and Prepayments

Group		
Analysis of Debtors	**2024**	2023
	£	£
Trade Debtors	**543,733**	182,396
Prepayments and Accrued Income	**1,416,526**	2,242,023
Total	**1,960,259**	2,424,419

Charity		
Analysis of Debtors	**2024**	2023
	£	£
Trade Debtors	**529,791**	79,455
Prepayments and Accrued Income	**1,402,275**	2,204,888
Total	**1,932,066**	2,284,343

Accrued income represents the net of monies collected by the charity's External Lottery Manager from RAF Sports Lottery players during December, not yet received by the Fund or utilised in play and the Investment dividends for Q4 2024, payable in Q1 2025.

Note 12 Creditors and Accruals

Group		
12.1 Analysis of Creditors falling due within one year	**2024**	2023
	£	£
Sports Grant Creditors	**-**	-3
Tax and Social Security Creditors	**22,670**	15,925
Accruals and Deferred Income	**397,008**	261,012
Other Creditors	**85,787**	27,401
Total	**505,465**	304,335

Charity		
12.1 Analysis of Creditors falling due within one year	**2024**	2023
	£	£
Sports Grant Creditors	**-**	-3
Tax and Social Security Creditors	**16,949**	14,521
Accruals and Deferred Income	**240,048**	181,910
Other Creditors	**67,421**	22,415
Total	**324,418**	218,843

Note 13 Funds

13.1 Funds Held

Fund Name	Type	Purpose and Restrictions
Expendable Endowment	Expendable Endowment	Expendable Endowment for RAF Central Fund - Unrestricted.
Mechanics Fund	Restricted	Monies transferred into the RAF Central Fund upon close of the Mechanics Endowment Fund. Restricted for the benefit of RAF trainees, especially those in the engineering disciplines.
BAE Systems	Restricted	Restricted Funds to support elite and High Performing Athletes
RAF Charitable Trust	Restricted	Used to grow RAF Sport by Investing in serving personnel (Coaching, Match Officials, 1St Aiders)
Royal British Legion	Restricted	A partnership for 5 RAF Sports Associations
Nuffield Trust Grant	Restricted	To be Used by the Associations in Sports Equipment
RDC Aviation Grant	Restricted	To be used by Athletics
Team Forces Grant	Restricted	To be used by Lawn Tennis and Rugby League
Six Works	Restricted	To be used by Rugby League
Op Unite	Restricted	To be used by boxing
Restricted Sport Donations	Restricted	To be used by 2 specific Sports
Designated Funds	Designated	To be used by the sports

Note 13.2 Funds

13.2 Movements of Major Funds

Fund Names	Fund balances bought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £	Charity balances carried forward £
General Reserves	930,260	5,394,023	-4,609,907	-1,714,376		-	-
Expendable Endowment Fund	49,064,161		-509,937	1,714,376	2,785,222	**53,053,822**	**53,014,543**
Mechanics Endowment Fund	438,010	7,990	-74,038			**371,962**	**371,962**
BAE Systems	77267	18,000	-35,267			**60,000**	**60,000**
CAE		-	-			-	-
RAF Charitable Trust	8811	-	-2,866			**5,945**	**5,945**
Royal British Legion	4781	-	-			**4,781**	**4,781**
Nuffield Trust Grant	16423	93,020	-78,266			**31,177**	**31,177**
RDC Aviation		20,904	-1,303			**19,602**	**19,602**
Team Forces		10,350	-1,710			**8,640**	**8,640**
Six Work		1,500	-1,500			-	-
Op Unite		10,000	-8,838			**1,162**	**1,162**
Restricted Sport Donations		3,150	-			**3,150**	**3,150**
Designated Funds		1,080,280	-399,066			**681,214**	**681,214**
Total Funds	**50,539,713**	**6,639,218**	**-5,722,698**	**-**	**2,785,222**	**54,241,454**	**54,202,175**

Included within reserves above is £2,785,222 (2023 - £3,426,124) of unrealised gains relating to the Charity Investments.

13.3 Movement of Major Fund 2023

Fund Names	Restated Fund balances bought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £	Restated Charity balances carried forward £
General Reserves	-	5,924,771	-4,504,179	-406,638	-83,694	**930,260**	-
Expendable Endowment Fund	47,035,943		-384,800	406,638	2,006,380	**49,064,161**	**49,031,522**
Mechanics Endowment Fund	477,121	8,487	-47,598			**438,010**	**438,010**
BAE Systems		85,812	-8,545			**77,267**	
CAE		2,518	-2,518			-	
RAF Charitable Trust		12,286	-3,475			**8,811**	
Royal British Legion		5,646	-865			**4,781**	
Nuffield Trust Grant		102,476	-86,053			**16,423**	
Total Funds	**47,513,064**	**6,141,996**	**-5,038,033**	**-**	**1,922,686**	**50,539,713**	**49,469,532**

Note 13 Funds

13.4 Transfers Between Funds

From Fund (Name)	To Fund (Name)	Reason	Amount
General Reserves	Expendable Endowment Fund	Support 2024 Grant Awards	-1,714,376

13.5 Group Analysis of Net Funds

	Expendable Endowment £	Designated Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £	Total 2023 £
Intangible Fixed Assets	117,446				**117,446**	15,000
Tangible Fixed Assets	1,527,266	265,053	28,335		**1,820,654**	1,599,166
Fixed Asset Investments	45,958,520		371,962	1,066,766	**47,397,248**	43,959,249
Net Current Assets	4,906,105				**4,906,105**	5,376,298
Pension Liability					**-**	410,000
Total Net Assets	**52,509,337**	**265,053**	**400,297**	**1,066,766**	**54,241,454**	50,539,713

13.6 Charity Analysis of Net Funds

	Expendable Endowment £	Designated Funds £	Restricted Funds £	Unrestricted Funds £	Total Funds 2024 £	Total 2023 £
Intangible Fixed Assets	117,446				**117,446**	15,000
Tangible Fixed Assets	1,527,266	265,053	28,335		**1,820,654**	1,599,166
Fixed Asset Investments	45,958,520		371,962	1,066,766	**47,397,248**	42,977,024
Net Current Assets	4,866,826				**4,866,826**	5,083,342
Pension Liability					**-**	205,000
Total Net Assets	**52,470,059**	**265,053**	**400,297**	**1,066,766**	**54,202,175**	49,469,532

Note 14 Commitments and Contingent Liabilities

The Principal Civil Service Pension Scheme (PCSPS) has been closed and all outstanding pension liabilities have been settled.

Note 15 Endowed Grants

Historically the Fund has provided grant funding to support the introduction of any new Mess or Junior Rank Welfare Fund facilities. Grant funding has been provided on the basis that the unit has no power to convert the capital provided into income and that the grant funding provided is to be held indefinitely.

All entities granted these permanently endowed grant funds must invest and seek to maintain the grant at a value no less than the original endowed grant monies, subject to market value losses and deflation. Income generated from the invested funds are restricted to support the appropriate charitable activities of the associated Mess or Junior Ranks Welfare Fund.

Endowed grant funds are returned to the Fund only on the extremely rare occurrence of the closure of an RAF unit and its associated Messes and Junior Rank Welfare Funds. Due to the expectation that funds will be retained indefinitely at the units, the Fund considered these to represent contingent assets and hence no value is recognised in the financial statements.

The value of endowed grant funds held at units as at 31 December 2024 is deemed to be £2,161,368 (2023: £2,092,363).

Note 16 Prior year adjustment

During the previous year ended 31 December 2023 the value of the charitity's liability in relation to the legacy RAF Sports Board Superannuation scheme became determinable. Whilst this obligation always existed and was disclosed as a contingent liability, there was insufficient information to reliably measure the extent of the liability before this date. Consequently, the pension scheme liability had not previously been included in the balance sheet. As a result of becoming determinable the 2022 comparatives have been restated to take into account this prior year adjustement. The Impact of this adjustment means that total funds decreased by £172K as at 31 December 2022.

Sports Association Grants

In the previous financial period following the merger in January 2024 of 35 RAFCF Grant receiving Sports associations within the charity, the requirement for an adjustment of the grants given needed to be restated in Central Fund accounts to ensure we were aligned. These used to be recognised when the offer was conveyed and paid in the following year.

	2023	2022	2021
Income	47,642	113,762	(239,628)
Cost Increase/(Decrease)	52,060	(8,903)	(1,024,664)
	99,702	104,859	(1,264,292)

Note 17 Pension Liability

In the previous financial period the Charity participated in the RAF Sports Board superannuation scheme, a defined benefit pension scheme.
The scheme liabilities are shared 25:25:50 between RAF Sports federation, RAF Central Fund and the Royal Air Force.
The liability shown in the balance sheet therefore represented 25% of the total scheme liabilities. The scheme was bought out in 2024 for closure and the final buyout figure for the scheme was £820,000 and Central Funds' share was £205,000.

	2023
Opening	172,000
Increase in Line with buyout value	33,000
Closing	205,000

Amounts recognised in the statement of financial activities are as follows	2023
Current service cost	33,000
Total	33,000

Note 18 Subsidiary Entities

18.1 RAF Central Fund Trading Limited

The results of the Fund's wholly owned subsidiary elements are within the Consolidated SOFA as follows

	2024	2023
	£	£
Income		
Trading Income	260,509	164,860
Total Income	**260,509**	**164,860**
Expenditure		
Trading Activities	221,230	132,221
Total Expenditure	**221,230**	**132,221**
Net Result of Subsidiary	**39,279**	**32,639**

RAF Central Fund Trading Ltd
Company Number: 8747522

A company set up for the RAF Central Fund to conduct trading in support of its charitable objectives

Note 19- Outstanding Commitments

The Fund had no outstanding commitments as at 31 December 2024 (2023: £Nil).

THE ROYAL AIR FORCE CENTRAL FUND

England & Wales - Charity number 1152560

Accounts

ROYAL AIR FORCE CENTRAL FUND

ANNUAL REPORT

2023

Registered Company Number: 8555984 Charity Registered in England and Wales: 1152560
Charity Registered in Scotland: SC044299

CONTENTS

2 REFERENCE AND ADMINISTRATIVE DETAILS

6 A MESSAGE FROM THE CHAIR

7 A MESSAGE FROM THE CEO

10 THE TRUSTEES' REPORT

14 PROPERTIES

17 PROGRESS AGAINST STRATEGIC OBJECTIVES

29 PLANS FOR FUTURE PERIODS

34 LEGAL STATUS AND ORGANISATION

37 MANAGEMENT AND COMMITTEES

41 RISK MANAGEMENT

43 REVIEW AND FINANCIAL RESERVES

46 TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

53 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

54 CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2023

55 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

56 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Dr E Molloy	Chair
Mr J C Michaelson	
Mrs A Farmery	
Group Captain M Williams	
Group Captain C Baker	
Dame S Gray	Appointed 4 March 2024
Mr J Brown	Appointed 6 May 2024
Mr O-L Veronese	Appointed 12 July 2024
Warrant Officer J Crossley	Resigned 24 April 2024

FINANCE AND RISK COMMITTEE MEMBERS

Air Commodore A Portlock	Chair
Group Captain M Williams	Trustee Member
Wing Commander K Tinkler	
Group Captain S Brewin	
Mr B Cartledge	Resigned 15 March 2024
Mr M Rana	Appointed 3 June 2024
Mr D Weaire	Appointed 3 June 2024

GRANTS COMMITTEE MEMBERS

Warrant Officer E Kerslake	Chair
Squadron Leader G MacKay	
Group Captain D Murty	
Squadron Leader R McPhee	
Warrant Officer A Thomas	
Warrant Officer G Evans	
Master Aircrew J Stone	
Warrant Officer S Catterall	Appointed 10 February 2023
Warrant Officer C Cooper	Appointed 10 February 2023 (no voting rights)
Warrant Officer J Alpert	Resigned 10 February 2023
Warrant Officer S Subramanium	Appointed 9 June 2023
Squadron Leader F Farthing	Resigned 9 June 2023
Mr M Nurse	Resigned 9 June 2023
Squadron Leader F Maybury	Resigned 5 October 2023
Squadron Leader N Byrne	Appointed 5 October 2023
Warrant Officer J Crossley	Resigned 24 April 2024
Squadron Leader S Hyndman	Appointed 25 March 2024
Warrant Officer M Dalziel	Appointed 5 June 2024
Mr O-L Veronese	Trustee Member - Appointed 12 July 2024

REMUNERATION COMMITTEE MEMBERS

Mrs A Farmery	Chair & Trustee Member
Group Captain M Williams	Trustee Member
Group Captain C Baker	Trustee Member - Appointed 18 July 2023
Warrant Officer J Crossley	Trustee Member - Resigned 24 April 2024

INVESTMENT COMMITTEE MEMBERS

Mr J C Michaelson	Chair & Trustee Member
Group Captain M Williams	Trustee Member
Mrs S Bridgeland	
Mr J Brown	Trustee Member

PRINCIPAL OFFICERS OF THE CHARITY

Mrs N Graske	Company Secretary
Mr R Perriam	Chief Executive Officer

REGISTERED ADDRESS

Hurricane Block Headquarters
Air Command
RAF High Wycombe
Buckinghamshire
HP14 4UE

PRINCIPAL OFFICE

RAF Central Fund Danesfield
New Lock Lane
Henley Road
Medmenham
Buckinghamshire
SL7 2EY

PROFESSIONAL ADVISORS

Lane Clark & Peacock LLP
95 Wigmore Street
London
W1U 1DQ

Broadstone Corporate Benefits Ltd
221 West George Street
Glasgow
G2 2ND

Vidett Ltd
Forbury Works
37-43 Blagrave Street
Reading
RG1 1PZ

INVESTMENT MANAGERS

Treligga PLC
Savills Investment Management UK Ltd
Insight Investment Management (Global) Ltd
Legal and General Investment Management Ltd
Napier Park Global
Pantheon Ventures (UK) LLP
Blackstone
Blackrock
Marathon Asset Management LLP
Knightsbridge Advisers LLC
JP Morgan Ltd
CCLA Fund Managers Ltd
BNY Mellon Alternative Investment Services Ltd
IFM Investors
Baillie Gifford & Co

REGISTERED AUDITORS

Richard Place Dobson Services Ltd
Ground Floor, 1-7 Station Road
Crawley
West Sussex
RH10 1HT

LEGAL ADVISORS

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Russell-Cooke LLP
2 Putney Hill
London
SW15 6AB

Stone King LLP
Boundary House
91 Charterhouse Street
London
EC1M 6HR

BANKERS

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

Royal Bank of Scotland
Holts Military Banking
200 Fowler Avenue
Fowler Business Park
Farnborough
Hampshire
GU14 7JP

4
ROYAL
AIR FORCE

A MESSAGE FROM THE CHAIR

In last year's annual report, I highlighted ongoing efforts to enhance the strategic model of RAF Sport. I'm pleased to report that within the span of 12 months, not only has a more effective model been identified, but also phase one of its implementation has been successfully completed.

On January 1, 2024, the RAF Sports Federation and 35 RAF Sports Association charities merged into the RAF Central Fund - a remarkable achievement. Credit is due to the RAF Sports Federation, DRS, Association Trustees, and RAF Central Fund teams for accomplishing this feat within such a short timeframe.

Their dedication is evident, especially considering the mergers were completed on schedule, within budget, and amidst record levels of funding awarded by the Central Fund to personnel in 2023, underscoring the team's commitment to the transformative power of sports on operational effectiveness.

The refined model not only mitigates Sports Association Trustee liability and reduces costs across merged entities, but also alleviates administrative burdens. Moreover, it has already begun to yield tangible results in the form of increased sponsorship funding for RAF Sport.

With this new framework in place, RAF personnel can now devote more energy to developing and delivering their respective sports without being encumbered by excessive administrative tasks.

The second phase of our endeavour commenced just before the conclusion of phase one and is centred on identifying optimal solutions for the remaining 15 unmerged Associations. We will continue to work through this phase, thereby paving the way for RAF Sport to be more accessible, sustainable, and successful than ever before.

As we progress toward this milestone, I extend my best wishes to every team and individual embarking on physical activities. Your dedication is integral to our collective success.

Eamonn Molloy

Dr Eamonn Molloy
Chair, RAF Central Fund

A MESSAGE FROM THE CEO

The RAF Central Fund experienced an exceptionally dynamic year in 2023. Demand for support surged by 16% in one of our funding streams, while assistance to stations and sports associations continued to expand. This resulted in significantly more RAF personnel receiving support for their chosen sports or physical activities. Notable funding initiatives included the establishment of a new Watt Bike studio at RAF Wittering, the provision of new flooring for RAF Lossiemouth's boxing club, and the acquisition of 12 new go-karts for RAF Marham.

In addition to fundraising and grant administration, the Fund team dedicated significant efforts to implementing the new construct for RAF Sport. While phase one was delivered on schedule and within budget, the magnitude of embracing 36 entities into one cannot be overstated.

Each member of the team contributed to this achievement, which would not have been possible without the support of our partners and the Associations themselves. The collaborative endeavour has already yielded dividends, with the anticipated benefits of the new framework expected to endure for years to come.

To optimise the new construct, we enlisted the services of commercial partner Pete Goldsmith. He engaged with multiple Sports Associations to understand their challenges and value propositions to potential sponsors. As a result, a six-figure sum of new and augmented sponsorship income has been generated thus far. We are committed to continuing this partnership with the aim of generating additional commercial income for RAF Sport.

Both the funding initiatives and the new sport construct are ultimately geared toward the same objective: empowering RAF personnel to excel in their chosen activities.

In 2023, our efforts translated into over 1,500 fixtures and events delivered by 54 Sports Associations, 51 overseas visits conducted, participation of 4 serving and 13 veteran RAF personnel in the Invictus Games, and 38 athletes from 16 different disciplines competing at GB or similar level events—an impressive feat considering our population is comparable to that of the town of Windsor.

As we embark on another eventful year of grant funding, finalising the new construct and supporting you, I extend my best wishes to all for a healthy and successful year of sport ahead.

Mr R Perriam
Chief Executive Officer, RAF Central Fund

"I admit that I didn't really appreciate how much the Central Fund do for me until a few years into my sport. The Fund provides Station clubs with grants for equipment, RAF Fencing obtains their equipment through annual support to the Sports Associations, and I have also been able to purchase kit thanks to the Individual Sports Grants programme."

Sqn Ldr Dom Walden - RAF Fencing

"WITHOUT THIS FUNDING OUR CLUB, LIKE MANY OTHERS ACROSS THE AIR FORCE, WOULD NOT BE AS SUCCESSFUL AS IT IS, AND THE TEAM WOULD STRUGGLE TO COMPETE IN CHAMPIONSHIPS."

"The Central Fund has been a game-changer. Their continuous support has made it possible for me to compete at the highest levels. Without their funding, the expenses of competing in Europe and across the UK would have been a significant challenge."

Sqn Ldr Simon Almond - Sportsman of the Year (Water Polo)

"SPORT IN THE RAF IS MASSIVELY SUPPORTED BY THE RAF CENTRAL FUND, SO THE CHARITY HAS BEEN CLOSE TO MY HEART EVER SINCE JOINING. THE CENTRAL FUND OPENS SPORT AND PHYSICAL ACTIVITY TO EVERYONE OF ALL ABILITIES, FROM INDIVIDUALS TAKING UP A SPORT FOR THE FIRST TIME ALL THE WAY TO ELITE ATHLETES. WITHOUT THE SUPPORT OF THE CENTRAL FUND, A LOT OF WHAT WE HAVE AVAILABLE WOULD CEASE TO EXIST."

"The RAF Central Fund grant programmes not only support me, but also my fellow instructors and students alike. Through grants for new member engagement, the RAFWSAA has managed to substantially reduce the cost of lessons and equipment."

Chf Tech Chris Edgar - RAF Winter Sports (Snowboarding)

MTB
47
ROYAL AIR FORCE

THE TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2023

The Trustees, who are also directors of the Royal Air Force Central Fund for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2023. The consolidated financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice "Accounting & Reporting by Charities" (FRS 102) and in line with current statutory requirements, the Charity's Constitution and applicable Accounting Standards in the United Kingdom. The consolidated accounts include the RAF Central fund and its subsidiaries.

CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Memorandum and Articles of Association defines the Fund's object as a charity that is:

1. *To benefit generally members or former members of the Royal Air Force and their dependents in such charitable ways as the Trustees think fit.*

2. *To promote the efficiency of His Majesty's Armed Forces in such charitable ways as the Trustees think fit particularly (but not by way of limitation) through encouraging and facilitating the playing of, and participation in, and the provision of or assisting in the provision of facilities for, sport in the Royal Air Force with particular reference to:*
   - *Increasing physical fitness;*
   - *Fostering the esprit de corps; and*
   - *Raising morale*

   Of the members of the Royal Air Force.

This object presents the Trustees with wide powers, enabling them to provide charitable assistance to the RAF Community, primarily via charitable grants.

The core vision of the Fund, to provide support to those serving in the RAF today and on an enduring basis, continues to underpin the ethos and activities of the Charity. From the Fund's origins back in 1919, through to the present day, the Fund has remained steadfast in its duty to support those who serve in the RAF. Working directly alongside those we support ensures the Charity is able to remain focused on and react quickly to their evolving needs through amenities and sports provisions.

VISION

For all serving personnel to develop their full potential through sport and physical activity.

MISSION

To enable all serving RAF personnel to access sporting opportunities and physical activities.

STRATEGIC OBJECTIVES

- Broaden its understanding of how the challenges of service life affect the RAF community with regards to health and fitness.
- Develop and deliver accessible support programmes that reach those most in need.
- Manage the charity as effectively and efficiently as possible.
- Grow and sustain the resources required to meet the needs of the charity's beneficiaries.
- Significantly increase awareness of its work within the RAF community.

PUBLIC BENEFIT

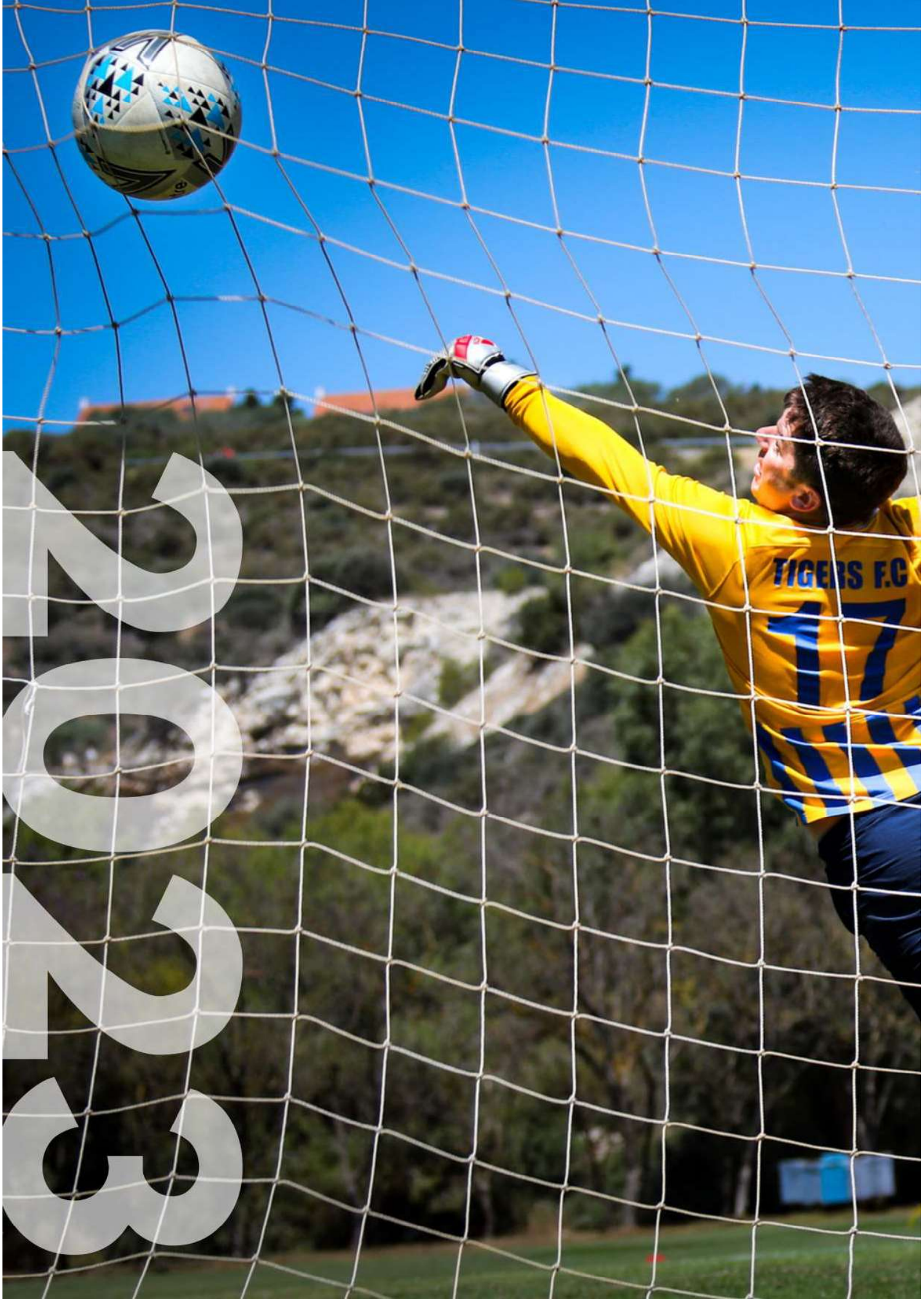
The Trustees recognise the two principles of public benefit and believe that the objectives and activities of the Fund formally meet these principles.

> *For all serving personnel to develop their full potential through sport and physical activity.*

Working towards this vision assists in the promotion of military efficiency which underpins esprit de corps and team working, whilst additionally encouraging personnel to develop their character, spirit and attitude to face challenges and danger associated with military service.

As a result, the Fund provides a benefit not only to its direct beneficiary group but additionally to the general public in helping to provide personnel who are motivated, have high morale and are willing to serve the needs of their country and that of its public at all times.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.



2023

PROPERTIES

The Fund continues to enhance and support the lifestyle of serving RAF personnel by providing a range of sport centres and recreational accommodation. Numerous sports and physical activities can be accessed through the use of our sites including water-based sports, racket sports and mountain sports.

FESHIEBRIDGE LODGES

This recreational accommodation located near Aviemore in the Cairngorms National Park is prioritised for serving RAF personnel for holidays, outward bound courses, decompression and access to the abundance of sports and physical activities on the doorstep of the lodges.

With a range of properties to suit small and large parties, the site sees over 1000 guests visit each year.

"EXCELLENT COMFORTABLE WELL-EQUIPPED LODGE IN DELIGHTFUL, WOODED SURROUNDINGS. WE THOROUGHLY ENJOYED OUR STAY AND WILL RECOMMEND THE PROPERTIES."

"FANTASTIC LODGE AND BEAUTIFUL LOCATION. THE LODGE WAS SPOTLESSLY CLEAN AND HAD EVERYTHING WE NEEDED. THE LOCATION IS GREAT WITH SO MANY BEAUTIFUL WALKS EITHER FROM THE LODGE OR JUST A SHORT DRIVE AWAY. THE NEARBY RIVER IS PERFECT IF YOU FANCY A COLD DIP AND THERE'S LOTS OF LOCHS NEARBY OF VARIOUS SIZES. WOULD DEFINITELY RECOMMEND AND WOULD STAY AGAIN FOR SURE."

HALTON TENNIS CENTRE

Halton Tennis Centre is owned by the Fund and leased to the RAF Tennis Association to provide RAF personnel with access to tennis try outs, training and fixtures. The Centre includes a wealth of facilities for all abilities including indoor courts, a fitness centre and clubhouse amenities.

DANESFIELD

Hundreds of RAF personnel take part in Robson Academy of Resilience training at RAF Central Fund Danesfield each year with attendees taking part in adventurous development activities and experiences. The site also provides personnel with access to grassroots and competitive water-based sports as it is the Home for Sport for the RAF Rowing Club and the RAF Canoeing Association, offering try outs, training, club sessions and events.

VINE LANE

This site is used to host a number of RAF Cricket fixtures in spring and summer; the Fund is continuing to review possible opportunities to better utilise the site for the benefit of its beneficiaries, whilst taking into consideration the requirements of RAF Sport. The potential financial, reputational and environmental impacts of a change of use are being considered as part of this review.

ROYAL
AIR FORCE

PROGRESS AGAINST STRATEGIC OBJECTIVES

STRATEGIC OBJECTIVE 1: BROADEN ITS UNDERSTANDING OF HOW THE CHALLENGES OF SERVICE LIFE AFFECT THE RAF COMMUNITY WITH REGARDS TO HEALTH AND FITNESS.

In 2023, the Fund dedicated significant efforts to deepen its understanding of the needs and obstacles faced by the Royal Air Force community concerning sports and physical activity.

One of the key endeavours involved arranging a meeting with the Minister for Defence, People, Veterans, and Service Families. The aim was to provide the Minister with updates on the experiences of serving personnel regarding access to sports and underscore the vital role of sports and physical activity in maintaining operational capability. The Minister engaged in constructive conversation regarding the physical and mental wellbeing benefits of sporting activity in the development of serving personnel.

Another vital aspect of the Fund's activities was its participation in biannual RAF charities meetings. These gatherings, hosted by the RAF's Deputy Commander of Capability, provided valuable insights into the broader challenges and requirements of the RAF community.

Through engagement with various stakeholders, including representatives from RAF charities, the Fund gained a deeper understanding of the collective challenges faced by beneficiaries.

By continuing our membership of the RAF Sports Board, the Fund has actively participated in biannual meetings alongside various stakeholders. These meetings served as platforms for discussing challenges encountered by RAF sports personnel and fostering collaboration to overcome barriers to access and enhance support for them.

The Fund also operates a grants committee, which convened three times in 2023 to review funding bids. Comprising a diverse mix of serving personnel, the committee ensured that decisions on funding allocations at RAF stations were informed by the lived experiences of those directly involved.

Through the assessment of approximately 3,000 funding bids received annually, the Fund gained insights into the multifaceted challenges faced by the RAF community concerning sports and physical activity. These challenges ranged from financial constraints and geographical limitations to issues related to the provision of facilities and time restrictions.

Furthermore, the Fund explored the use of software aimed at improving insight and understanding of the challenges faced by the RAF community. By leveraging technology, the Fund sought to refine its grasp on these challenges and develop effective strategies to address them.

Overall, these initiatives underscored the Fund's commitment to understanding and addressing the needs of the RAF community in relation to sports and physical activity. Through collaboration with various stakeholders and leveraging insights gained from diverse sources, the Fund aimed to enhance the well-being and operational readiness of RAF personnel.

ATTENDANCE TO SUPPORT THE RAF COMMUNITY IN 2023

STRATEGIC OBJECTIVE 2: DEVELOP AND DELIVER ACCESSIBLE SUPPORT PROGRAMMES THAT REACH THOSE MOST IN NEED.

The Central Fund principally seeks to meet its objectives through the provision of support as a grant giving charity. The Grants programme is divided into three funding streams:

RAF SPORT ASSOCIATION GRANTS

Support funding for Sport Associations continued to be a key pillar in delivery of the Fund's vision and mission, it fulfils the charitable objectives of the Fund by:

- Increasing the number of serving personnel participating in sport and physical activities.
- Increasing the provision of sport and physical activity opportunities.
- Providing an opportunity for serving RAF personnel to decompress from operational demands.
- Providing an increased sense of inclusivity within the RAF serving community.

2023 marked the second year of the latest 3-year Joint Planning Process (JPP) funding cycle between the key stakeholders of RAF Sport (the Fund, RAF Sports Federation and the Directorate of RAF Sport).

This support enabled participation and assisted development pathways for serving personnel in given sports, from grassroots through to elite level competition, it also played a key role in driving accessibility through the purchase and hire of kit, equipment and facilities.

As part of the continued strategy for a more aligned approach to the delivery of RAF Sport, foundation work was undertaken across 2023 to prepare for a merger of the RAF Sports Federation and the majority of Sports Associations into the RAF Central Fund from 1 January 2024.

VALUED CONTRIBUTIONS BY THE FUND TOWARD THE OPERATING COSTS OF 50 SPORTS ASSOCIATIONS:

50
RAF SPORTS ASSOCIATIONS FUNDED

£1,221,920
VALUE OF ASSOCIATION FUNDING

10,396
PERSONNEL SUPPORTED

In addition restricted contributions were made to some of the Sports Associations by the RAF Sports Federation amounting to £101,455.

ENRICHMENT GRANT PROGRAMME

This particular programme has gone from strength to strength, seeing a continued increase in the number of grants awarded to RAF Stations and Units to support creation and development of facilities for sport and physical activity.

With grants of up to £50k available, projects ranged from significant installations of new and supporting equipment, such as an Auto-Belay system to enhance the climbing facility at RAF Lossiemouth, to smaller awards for pooled kit and equipment that made complex sports such as Archery, Fencing and Sub Aqua, more accessible to entry level participation.

These along with many other fantastic projects, spanning a wide variety of sporting interests, enabled a record number of serving personnel to enhance their personal wellbeing through engaging in physical activity.

NUMBER OF ENRICHMENT GRANTS **51**

VALUE OF ENRICHMENT GRANTS **£358,149**

24 RAF STATIONS SUPPORTED

22,803 PERSONNEL SUPPORTED

60 RAF CENTRAL FUND STATION AMBASSADORS

The above enrichment grant value includes an amount of £115,920 which was excess income received in prior years.

INDIVIDUAL SPORTS GRANTS

We continued to see a sustained increase in demand, with a 15% uplift on the number of awards, resulting in more than £100,000 in additional funding over and above what was budgeted for.

Further to a previous review where various external solutions were considered but not sanctioned for a more automated approach to funding, 2023 saw an internal process review and subsequent adjusted approach to enhance assurance and auditing of individual grants, resulting in:

- Improved beneficiary experience.
- Enhanced governance and assurance, with 100% effectiveness in highlighting beneficiaries with outstanding proof of purchase.
- Enabling a more effective audit process, and subsequent recovery and exclusion process for beneficiaries that fail to meet minimum requirements.

Specialist Sports continued to facilitate discounted purchases for customers referred through our individual programme.

To address the near-term budgetary challenges created by the sustained increase in demand, a review was conducted, considering various models, resulting in a recalibration of funding levels in readiness for 2024, thereby maintaining our core value of responsible management of our resources for future beneficiaries.

2,766
NUMBER OF GRANTS AWARDED

TOTAL VALUE OF FUNDING AWARDED
(INCLUDING GROUP GRANTS AND SKI CHAMPS)
£698,603

988
RAF LEVEL GRANTS

VALUE OF RAF LEVEL GRANTS
£340,085

1,778
DEVELOPMENT LEVEL GRANTS

VALUE OF DEVELOPMENT LEVEL GRANTS
£283,760

MECHANICS ENDOWMENT FUND (MEF)

The MEF was amalgamated into the Fund in 2007, carrying the restriction that funds can only be utilised to provide benefit to RAF trainees, with an emphasis towards those within engineering disciplines where possible.

A flagship project in 2023 supported the installation of an exercise rig and static bikes in the Finlay Gym at RAF Halton, enabling new recruits to develop. It's expected that these facilities will reach over 10,000 recruits over the next 5-year period.

4
MEF GRANTS AWARDED

£47,598
VALUE OF MEF GRANTS

2,400
PERSONNEL SUPPORTED THROUGH MEF GRANTS

STRATEGIC OBJECTIVE 3: MANAGE THE CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE.

In 2023, the Central Fund embarked on a transformative journey, marked by significant milestones that fortified its commitment to various key areas. The most notable of which was the successful merger between the RAF Sports Federation and the Central Fund.

Supported by the Directorate of RAF Sport, this strategic consolidation streamlined administrative processes, enabling Sports Associations to focus on elevating RAF Sport for all serving personnel. The merger not only brings efficiency but also reinforces the Fund's role in nurturing sports activities within the RAF Sport environment.

Alongside the merger, the Central Fund expanded its station ambassador scheme, which was successfully launched in 2022. This expansion aimed to cultivate stronger ties with key advocates on the ground, thereby amplifying the Fund's visibility and broadening its impact. By fostering relationships with individuals passionate about the Fund's mission, the Central Fund strengthened its support network, paving the way for increased engagement and collaboration within the RAF community.

Another area of focus for 2023 was the enhancement of RAF Sports Lottery processes. Recognising the importance of responsible gambling practices, the Fund revamped its lottery procedures to ensure strict adherence to Socially Responsible Advertising standards and Gambling Commission regulations. These measures aimed to promote ethical gambling practices while generating revenue to support the Fund's initiatives for the benefit of RAF personnel.

In alignment with evolving regulatory frameworks, GDPR compliance and transparent governance was prioritised in 2023. Robust measures were implemented to safeguard data protection and privacy rights, reinforcing the Fund's commitment to accountability and integrity. By fostering a culture of transparency and adherence to regulatory standards, the Central Fund upheld the trust and confidence of its stakeholders while navigating the complexities of data management in the digital age.

Furthermore, sustainability continued as a core focus area for the Central Fund, reflecting its commitment to environmental stewardship and corporate social responsibility. Intensified efforts were directed towards reducing the Fund's carbon footprint through targeted initiatives within the workplace, with a clear aim of achieving measurable outcomes in line with United Nations sustainability goals.

STRATEGIC OBJECTIVE 4: GROW AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF THE CHARITY'S BENEFICIARIES.

THE RAF SPORTS LOTTERY

In 2023, the number of players remained consistent with income for the year reaching over £2.9 million which exceeded budget.

The Lottery awards prizes totalling £18,000 each week and there were over 1,040 winners in 2023. The cost of awarding these prizes, together with External Lottery Manager Fees and overhead costs totalled £1,243,516 (2022: £1,201,137) for the twelve months of play.

Following improvements made to the RAF Sport briefing to Recruit Training Squadron personnel in 2023, we saw a rise in average sign-up rates for the Sports Lottery, an increase from 50% to 54%.

INVESTMENTS

The Investment Strategy seeks to protect and grow in real terms the value of the investment portfolio whilst also ensuring the income distributions received in the year meet the Fund's expected annual expenditure.

The objectives are as follows:

- Provide stable cash distributions
- Avoid material losses
- Grow the Fund's Portfolio
- Support (as prudent) the Fund's Environmental, Social and Governance (ESG) goals

In 2023, we reached the end of Phase 2 of the strategy which involved mandates in cash income producing assets with higher returns and lower duration risk.

Phase 3 2024-2025 will not see a change in strategy but a redeployment of assets to take advantage of the changed environment and continue to build a base of talented core asset managers.

DONATIONS

To supplement income generated by the RAF Sports Lottery, our wider fundraising efforts broadly maintained our year-on-year position.

Total unrestricted funds of over £180,000 were raised, made up of generous donations by various partners, from RAF Stations through to individual initiatives by serving personnel. Working with partner suppliers of sports equipment and clothing continued, resulting in another donation of £5,500 from Specialist Sports.

Total restricted funds from charitable third-party funders amounted to £113,902.

During 2023, the Fund embarked on a wider journey to scope commercial opportunities with a view to strategically enhance, develop, and introduce future partnerships.

The Fund continues to review and develop its processes across all departments to ensure that beneficiaries receive effective and efficient service and support. Improvements in various processes in 2023, including data management and grants processing, increased outputs and reduced staff requirements.

STRATEGIC OBJECTIVE 5: SIGNIFICANTLY INCREASE AWARENESS OF ITS WORK WITHIN THE RAF COMMUNITY.

Throughout 2023, the Fund's Communications and Marketing Department retained its focus on promoting the Charity through an array of awareness raising activities which showcased its fundraising programmes and highlighted opportunities related to the Sports Lottery, so that more serving RAF personnel could benefit from the charitable income generated.

PRESENTATIONS

We continue to promote the work of the Central Fund at a number of presentations and events across the year. On top of regular visits to health & wellbeing days, conferences and sport association events, we have also added a briefing slot at the Defence Academy to our programme of presentations.

We successfully re-engaged with the Trg Specialisation Conference and were provided with a speaking slot to enhance the visibility of our work and to encourage increased interaction with the Fund by those who are actively delivering and participating in physical activity.

COMMUNICATIONS PLATFORMS

It was an important year for the Central Fund as we prepared for the merger with the Sports Federation, and an emphasis was placed on connecting with RAF News and internal Air Media to ensure that the messaging to support this transition was shared widely and to the right audience. This led to an interview piece at the end of the year which included quotes from Air Cdre Richard Fogden, Director of RAF Sport and Central Fund CEO, Ross Perriam.

As readjustments post COVID-19 continue, we have also taken the opportunity to explore the re-establishment of RAF Active and providing the RAF community with a focused piece of communications to highlight the excellent activities, projects and individuals helping to enhance RAF Sport as an essential pillar in the service.

The Central Fund's social media presence continued to grow in 2023 with the charity's main channel, Facebook, seeing a reach of 47,000 and an increase of 115% in page visits. Instagram also witnessed an increase in page visits of 18%, with a reach totalling 4,000. Heightened activity on both channels was seen as a result of posts celebrating the RAF Sport Awards and National Fitness Day.

Both the Central Fund website and monthly newsletter continue to see good engagement rates with page views maintaining a 16% increase when compared to our previous website and an average open rate of 20% for our newsletter, with each edition being read by approximately 3,000 recipients.

RAF SPORTS AWARDS

The annual awards were hosted at Halton House in 2023, and for the second year running the Central Fund was delighted to sponsor the Station of the Year Award. The winners were RAF Akrotiri, who were acknowledged for setting up an enormously successful Park Run in Cyprus. In total, the ceremony recognised 22 nominees in eight categories from 15 different sporting disciplines, including three lifetime achievement awards.

2023
ELEIKO

WORK TOWARDS BECOMING A NET ZERO ORGANISATION

In 2023 the Fund continued on its ESG journey and published and circulated its ESG Policy to key stakeholders, the policy sets out the Goals, aims and objectives towards its Net Zero target.

Some of the steps we took in 2023 were:

- We ran a ESG supplier survey and an ESG Staff survey to establish a good base of understanding of where we stood, to enable us to take action.
- Improvements to ESG credentials, as well as service, were established with some suppliers, we continue to regularly review deliverables.
- Wherever possible ESG is now the prime factor when entering or renewing supplier agreements.
- We continued to track our carbon footprint and will be in a position to publish the results in 2024.

PLANS FOR FUTURE PERIODS

The core vision of the Fund, to support and enrich the lives of those serving in the RAF today and on an enduring basis, continues to underpin the charity's strategic and operational direction. As the Board of Trustees continue to refine and prioritise the direction of the Fund, its central vision and mission remains, to enable all serving RAF personnel to access sporting opportunities and physical activities with the aim of developing their full potential.

Within this wide-reaching objective, the following aims have been defined as the next steps of the Fund's strategy and fundamental for the period ending 2024.

- **GROW THE FOOTPRINT OF BENEFICIARIES TO ENCOMPASS A GREATER PERCENTAGE OF SERVING PERSONNEL.**

Throughout 2023 the Fund operated closely with DRS to accomplish the full integration of the RAF Sports Federation, and 35 Sports Associations, into its organisational structure.

This represented an opportunity to significantly improve the operating model for RAF Sport for the benefit of the Service and personnel within. By completing a merger process we are able to revolutionise the delivery and governance of RAF Sport which will provide significant, lasting and measurable benefit to those directly involved in it.

This streamlined way of working, with one central charity, will significantly improve the effectiveness and efficiency of RAF Sport.

In 2024, the Fund will work alongside the remaining 17 Sports Associations who operate as official RAF Sports to identify future opportunities to bring them into the organisation.

By creating this new way of working, we envisage increased opportunities for sponsorship, reduced liability for Association trustees, reduced administration and more opportunities to share best practice.

The purpose is to create a stronger collective brand, with increased income and influence to benefit more serving personnel than ever before.

- **SIGNIFICANTLY INCREASE THE PROFILE OF SPORT, PHYSICAL ACTIVITY AND THE ROLES OF RAF SPORT / RAF CENTRAL FUND WITHIN THE RAF.**

The Fund enhanced its web profile over the previous 12 months by creating a new 'sports' section which highlights and promotes the 54 Sport Associations.

Working with Air Media and RAF Sport, we have significantly improved the consistency and branding of these pages by refreshing imagery, logos and content for each sport. We are now working to identify innovative ways to improve the look and functionality of this area of the website.

Importantly, we have also ensured that the contact information contained on the sport pages is GDPR compliant and achieving the highest standard of operational governance.

Additionally, the Fund is working with internal RAF Communications to scope out training and learning opportunities for Sports Associations to ensure that an up-skilling process is undertaken to improve content and increase the profile of RAF Sport within the RAF.

Across 2023 the Fund continued to work closely with RAF News, including a co-authored article between the Fund and DRS. We have also entered into early discussions to investigate the possibility of re-establishing RAF Active as an additional communications platform for RAF Sport.

- **ESTABLISH THE FOUNDATIONS FOR A 'PROFESSIONAL' SPORTS ECOSYSTEM THAT CREATES THE CONDITIONS FOR RAF SPORT TO THRIVE.**

Over the last year we have continued to work closely with DRS to ensure that RAF Sport continues a journey to becoming a more professional environment. We have taken important steps in improving the infrastructure which supports elite and grassroots sport, from enhanced reporting procedures to a streamlined approach to sponsor opportunities.

We are now seeking to implement a more holistic IT support system to benefit our Associations, reducing the administrative burden and allowing sports to focus on engagement and delivery.

Further governance improvements, training and learning sessions and a refreshed brand presence will further assist with the creation of a more professional setting for RAF Sport to prosper in.

- **DEVELOP AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF BENEFICIARIES NOW AND IN THE FUTURE.**

A focus area for sustaining resources across the coming year will be to improve the commercial product we offer as RAF Sport. With this in mind, the Fund has begun the process of curating and strengthening existing relationships, whilst increasing our focus on securing new partnerships.

At the same time, we will be improving the commercial processes to implement plans at a far earlier stage in order to maximise the opportunities to secure additional income by working with partners well ahead of their budget planning for the 2025 year. The Fund is also creating a compelling Social Value proposition to provide examples of the insights and evidence that can be achieved by working with RAF Sport.

The RAF Sport brand and identity will be developed throughout the year to support the anticipated commercial growth.

Outside of this, we will be providing a calendar of training and support for our Sports Associations, helping them to achieve operational excellence by offering expert guidance and advice. This will cover areas such as marketing, branding, funding and governance.

Operationally, the Fund will implement new governance and finance systems to reduce the administration burden on sports and streamline the work of RAF Sport.

Supporting the aims of the organisation as a major income generator, the RAF Sports Lottery will continue to be a priority as the Fund works with DRS to brief new recruits, whilst retaining a focus on the wider RAF family to ensure that the messaging that supports the lottery, and the impact that is made by playing, is given enhanced visibility.

The Central Fund will also continue to refine its investments strategy to preserve and grow the value of the Fund, one of the outcomes of which will be the ability to provide further income support for its grants programmes.

2018

LEGAL STATUS AND ORGANISATION

CONSTITUTION

The Fund is a registered charitable company limited by guarantee, a company registered in England and Wales 8555984, a charity registered in England and Wales 1152560 and a charity registered in Scotland SC044299.

The Fund has two wholly owned subsidiaries:

- RAF Central Fund Trading Ltd which became active in 2018.
- RAF Sports Federation which became a subsidiary in 2023.

GOVERNANCE

The Fund is governed by its Board of Trustees as established within its Memorandum and Articles of Association dated 4 June 2013 (as adopted by a special resolution passed as a written resolution on 24 November 2023). The Articles determine that the Board must consist of a minimum of three Trustees with a condition that a Serving Trustee cannot be appointed to the Board unless the number of non-Serving Trustees is at least equal to the number of Serving Trustees subsequent to the appointment.

Trustees are appointed by election at a Board General Meeting for a three-year term and can serve no more than three consecutive terms. A quorum of Trustees is required for the transaction of business which consists of at least three Trustees, provided that at least two non-serving Trustees are present.

Trustees have established a clear policy and procedures for dealing with conflicts and the authorisation thereof, in accordance with Charity Commission guidelines.

TRUSTEE INDUCTION AND TRAINING

All new trustees receive a personalised induction programme. The programme is designed to cover the key strategic aims of the Charity, its operational framework, finances, and future plans. The induction additionally provides details of the Charity's regulatory and statutory reporting requirements, including those of the Charity Commission, OSCR and Companies House.

The Trustees are invited to an annual 'Away-Day' during which they review any significant updates of regulatory or governance importance. Trustees are encouraged to visit all Fund properties within twelve months of appointment and are invited to attend a Grants Committee and Finance and Risk Committee meeting within the first year of appointment.

Trustees are additionally invited to attend internal and suitable external Trustee training courses to ensure an appropriate and on-going understanding is maintained within the Board with regards to significant issues such as: governance; the role and responsibilities of the Trustees; understanding charity finance and investments; identifying and managing risks and strategic planning.

MANAGEMENT AND COMMITTEES

The Board of Trustees is responsible for setting the strategic direction of the Fund whilst the day-to-day management of the Fund is the responsibility of the Chief Executive Officer.

The Chief Executive Officer has delegated authority to determine operating policies, manage operational planning and budgets, property and staffing resources to support the strategic and policy framework of the Board and is responsible for the effective and efficient management of the Fund.

Trustees delegate authority to the Chief Executive Officer with unlimited bank payment authorisation restrictions and the Chief Operating Officer to authorise payments of budgeted expenditure to a limit of £100,000. The Chief Executive Officer can approve items of unbudgeted expenditure subject to an individual item maximum of £50,000 where this does not represent more than a 10% variance from approved financial forecasts. Details of significant unbudgeted expenditure approvals are presented to the Trustees at every Board meeting.

The Trustees of the Fund have constituted four Committees: the Finance and Risk Committee, the Grants Committee, the Investment Committee and the Remuneration Committee in accordance with paragraph 12 of the Fund's Articles of Association. The Fund's Trustees set clear terms of reference for the Committees and receive regular reports on their activities.

THE FINANCE AND RISK COMMITTEE

The Trustees delegate the oversight of the Fund's finance and risk governance and policies to the Finance and Risk Committee and ensure these are aligned with the Fund's charitable and strategic objectives. The Committee is required to meet at least biannually and met three times during 2023 to implement the Fund's financial strategy.

The Trustees delegate authority to the Committee to approve budgeted expenditure in excess of £50,000 and major single items of unbudgeted expenditure to a maximum of £50,000, subject to an annual limit of £200,000. Details of all significant unbudgeted expenditure approvals are presented to the Trustees at every Board meeting.

THE GRANTS COMMITTEE

The Trustees delegate the disbursement of grants to the Grants Committee. The Grants Committee is required to meet at least biannually and met virtually to consider awards on three occasions during 2023.

The Fund Trustees have delegated authority to award single grants up to £50.000 within the limits of their annual budget to the Committee. Details of Committee-considered grants are presented to the Trustees at every Trustee meeting.

Where possible, a station contribution is made by capital project applicants and all requests for funding must be supported by an application which includes details of project delivery, maintenance costs and a realistic business case where applicable.

The Fund seeks to work closely with other Service charities such as the Nuffield Trust, the RAF Benevolent Fund, the RAF Charitable Trust and the Royal Air Forces Association to provide maximised benefit to the serving RAF community. For projects that benefit personnel across multiple services, the Fund works closely with the Army and Navy charities to ensure inclusivity across Defence.

THE REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the remuneration of the Fund's senior management and employees.

Meeting annually, the Remuneration Committee provides recommendations to the Board of Trustees with regards to all employee remunerations including key management personnel based on an annual review of sector benchmarks.

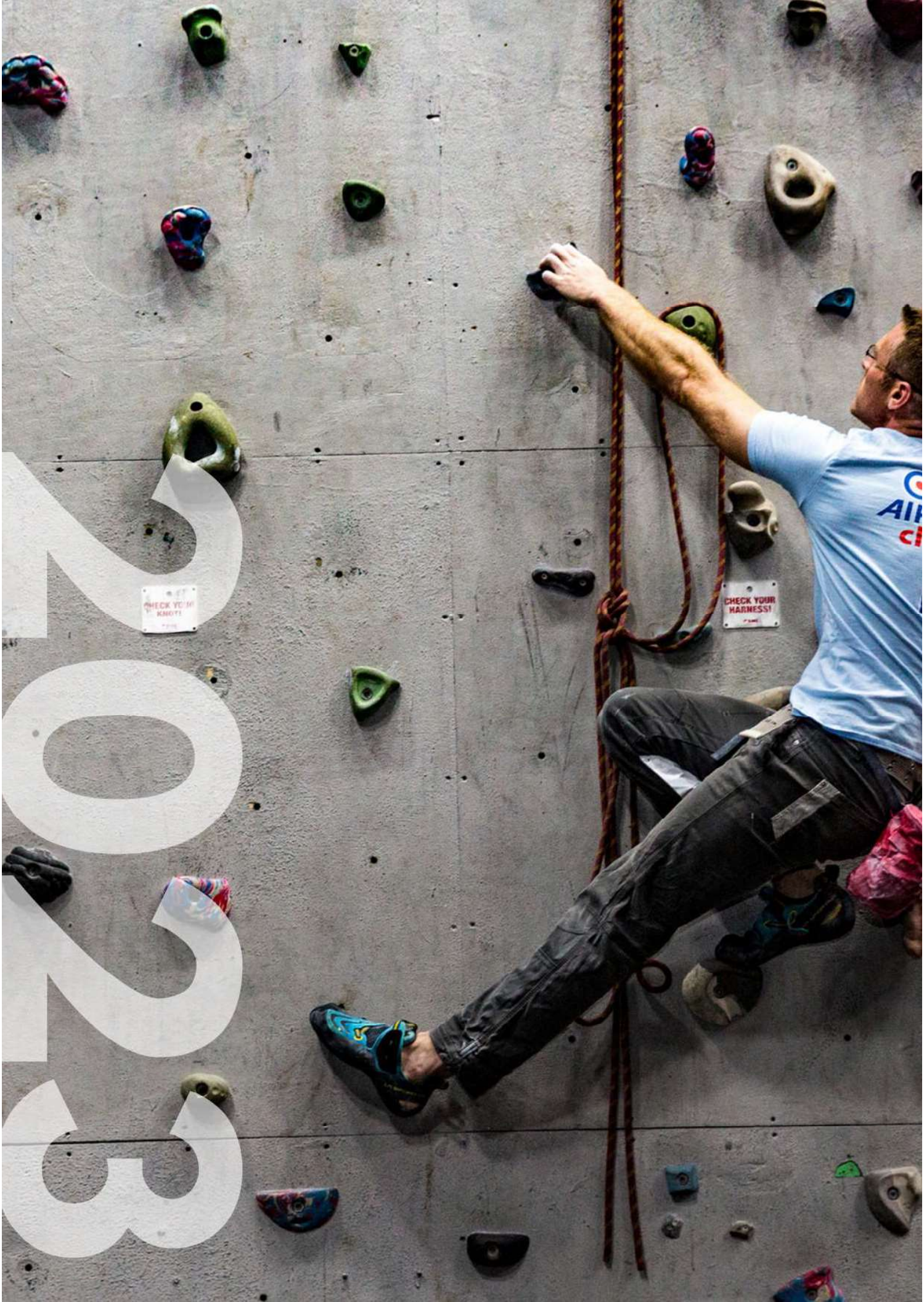
The Committee remain cognisant of the Fund's intent to attract and retain talented and committed employees who can help the Fund realise its objectives to maximise support to RAF personnel both now and into the future.

To achieve this the Remuneration Committee seeks to ensure salaries reflect the appropriate market rate of pay for a comparable job in the relevant job market and are subject to regular review to ensure employee rewards remain appropriate.

THE INVESTMENT COMMITTEE

The Investment Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the Fund's investments. The Committee is required to meet biannually and met four times during 2023 to continue the implementation of the Fund's investment strategy.

The Committee is established to oversee the Fund's investment governance, including philosophy, risk appetite and policies and ensure these are aligned with the Fund's charitable and strategic objectives. The Trustees authorise the Committee to monitor the Fund's investments against its philosophy, risk appetite and policies.


CHECK YOUR HARNESS!

RISK MANAGEMENT

The Trustees review the major risks facing the Fund within the annual business planning process to identify significant risks to the Fund, implementing procedures to both mitigate risk and to minimise potential impact should they materialise.

The 2023 budget was formulated in late Q3 2022, leveraging the Consumer Price Index as a primary reference point. During the year the index exhibited notable volatility, with projections suggesting a stabilising trend within the range of 3-4%.

In anticipation of the RAF Sports Federation and certain RAF Sports Associations merging into the Fund by January 2024, these two scenarios were incorporated into the risk register. The risks associated with these events were actively managed and mitigated as part of the due diligence process.

2021
LEKI
ROYAL AIR FORCE
telemark

REVIEW AND FINANCIAL RESERVES

LONG TERM INCOME PROTECTION

The investment strategy provides long term income protection and preserves in real terms the principal value of the investment portfolio to meet expected annual expenditure.

When changes to the market occur, the strategy is reviewed to ensure the funds invested continue to meet forecast yields and estimated income needs.

DIRECT COSTS

Direct costs have routinely been met from unrestricted investment income generated in the year of application. Trustees have therefore been content to maintain zero unrestricted reserves for the RAF Central Fund's activities.

Following the merger with the RAF Sports Federation and in line with its reserve policy unrestricted reserves are held to provide funds for 12 months known expenditure.

- Unrestricted reserves represent £930,260.
- Expendable endowed fund at year-end was £49,064.161 (2022 restated: £47,035,943), of which £42,539,014 (2022: £42,533,442) represented invested funds.
- Restricted reserves represent £545,292 (2022: £477,121)

The Group has the following restricted funds:

- Mechanics Endowment Fund

Funds whereby expenditure is restricted for the benefit of RAF trainees, especially those in the engineering disciplines.

- Charitable third-party funds

Funds are primarily for the purchase of equipment and training for the RAF sports associations and to support its elite sports individuals.

FINANCIAL RESERVES

The application of the long-term income protection policy has historically allowed the Fund to maintain the expendable endowment fund at a level whereby the Trustees have been able to apply a policy of meeting direct expenditure through application of the investment income generated.

For the purposes of this update, the collective organisations of the Royal Air Force Central Fund, Royal Air Force Central Fund Trading Company and RAF Sports Federation are referred to as the 'Group'.

To generate income to support the enrichment grants programme and the Fund's administrative, governance and support costs, and being cognisant of specialist advice regarding investment income returns, the Board deem it appropriate and necessary to maintain for the Group invested reserves at a level of £44-45 million within total reserves of approximately £50 million.

At the year-end the Group held total reserves of £50,539,713 including invested reserves of £43,959,249. The Trustees are content that the closing 2023 reserves balance of £50,539,713 is appropriate given the current volatility in the investment markets, economic climate and current as well as ongoing merger plans.

The reserves policy is subject to annual review. The balance sheet confirms that the Fund has adequate working capital to meet any obligations as they fall due.

The results for the Group are shown on page 53.

2023

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS AND AUDITORS

Company law requires the Trustees (who are also directors of the Royal Air Force Central Fund for the purposes of company law) to prepare financial statements that give a true and fair view of the situation of the charitable company at the end of the financial year and of its deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make sound judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and Statements of Recommended Practice 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 will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006.

The Trustees are also responsible for the safeguarding of the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Company law, the Fund's Trustees certify:

- There is no relevant audit information of which the Fund's auditors are unaware.
- The Trustees of the Fund have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of the information.

RAF Central Fund complies with the Fundraising Standards Board Requirements and only utilising agencies that are compliant with the Fundraising Regulations. We aim to meet the highest standards so that supporters and volunteers give and fundraise for the Fund with confidence. No complaints have been received in respect of fundraising during 2023.

AUDITORS

Mazars LLP acted as the Fund auditors during 2023 before the contract was awarded to Richard Place Dobson Services Limited.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The Trustees' and Strategic Report for the year ended 31 December 2023 was approved by the Trustees in their capacity as the Company Directors and signed on behalf of the Trustees:

Group Captain M Williams
Trustee and Member of the Finance and Risk Committee

Dated: 7 September 2024

2013
ROYAL AIR FORCE boxing
LONSDALE

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ROYAL AIR FORCE CENTRAL FUND

Opinion

We have audited the financial statements of The Royal Air Force Central Fund (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the group statement of financial activities, the group balance sheet, the charitable company balance sheet, the group statement of cash flows, the charitable company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations2006 (as amended)..

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 group and parent 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report, including the strategic report, has 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 the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, the Charities (Accounts and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees and Directors' 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' rresponsibilities sstatement, the trustees, who are also directors 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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We have made enquiries of management, and trustees, regarding the procedures relating to identifying, evaluating and complying with

1. laws and regulations and whether they were aware of any instances of non-compliance;
2. detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
3. the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

We obtained an understanding of the legal and regulatory framework that the Parent Charitable Company and its subsidiaries operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Parent Charitable Company and its subsidiaries. The key laws and regulations we considered in this context included the UK Companies Act, The Charities Act and the Charities and Trustees Investment (Scotland) Act, data protection regulations, employment legislation, lottery and gaming regulations and taxation laws and regulations.

Discussion was had with management and the directors and amongst the engagement team to gain an understanding of the entities current activities, authorisation procedures and effectiveness of the control environment. Our understanding was tested during the audit work and the systems and controls in place were found to be operating effectively.

The engagement partner has reviewed the team selected to undertake the engagement and ensure that they have sufficient competence and are capable of identifying and recognising non-compliance with laws and regulations. No non-compliance was identified.

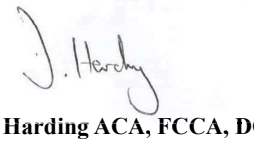
Discussion among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud and / or error in the following areas:

Risks identified	Audit response
Valuation of Investments	Audit Procedures included, but not limited to, obtaining and reviewing investment reports from investment managers, completing a review of controls of each investment manager, obtaining confirmation that title of investments was held by the Charitable company.
Management override of controls	Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to any significant, unusual transactions entered into outside of the normal course of business.
Revenue recognition	Audit procedures performed included but were not limited to performing walk through tests to identify the control procedures in place and once an understanding of the revenue recognition process was gained, substantive tests were carried out using a sample basis to ensure the revenue existed and was complete in the accounts. Cut off testing was also performed to ensure sales were recorded in the correct period.
Accounting treatment of Property	Audit procedures performed included but were not limited to enquiring with management the basis on which rental property was recognised in the accounts and verifying that the explanations given were valid.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Darren Harding ACA, FCCA, DChA (Senior Statutory Auditor)

For and on behalf of Richard Place Dobson Services Limited

Chartered Accountants

Statutory Auditor

Date: ...20 ..September 2024.....

Ground Floor
1 - 7 Station Road
Crawley
West Sussex
RH10 1HT

THE ROYAL AIR FORCE CENTRAL FUND

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 December 2023

	Note	Unrestricted Fund £	Expendable Endowment Fund £	Restricted Fund £	Total 2023 £	Restated Total 2022 £
Income	2					
Donations		189,289	-	113,902	**303,191**	370,952
Charitable Activities		328,206	-	-	**328,206**	150,612
Raising Funds		3,109,099	-	-	**3,109,099**	3,067,206
Investment Income		1,235,670	-	8,487	**1,244,157**	737,350
Other Income		1,062,507	-	94,835	**1,157,342**	2,440
Total Income		**5,924,771**	-	**217,224**	**6,141,995**	4,328,560
Expenditure	3					
Charitable Activities		3,149,427	-	149,053	**3,298,480**	2,974,200
Raising Funds						
Sports Lottery Operations & Fundraising Trading		1,246,543	-	-	**1,246,543**	1,199,957
Trading Activities		108,209	-	-	**108,209**	124,904
Investment Management Costs		-	384,800	-	**384,800**	341,566
Total Expenditure		**4,504,179**	**384,800**	**149,053**	**5,038,032**	4,640,627
Net gains on investments		-17,694	2,006,380	-	**1,988,686**	-1,413,227
Net Income/(Expenditure)		**1,402,898**	**1,621,580**	**68,171**	**3,092,648**	-1,725,294
Introduction of a pension Liability Actuarial (losses) on defined benefit pension schemes		**-66,000**	**-**	**-**	**-66,000**	-172,000
Transfers between Funds		-406,638	406,638	-	-	-
Net Movement in Funds		**930,260**	**2,028,218**	**68,171**	**3,026,648**	-1,897,294
Total Funds Bought Forward		-	47,035,943	477,121	**47,513,064**	49,410,358
Total Funds Carried Forward		930,260	49,064,161	545,292	**50,539,713**	47,513,064

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 56 to 73 form part of these financial statements

THE ROYAL AIR FORCE CENTRAL FUND

Consolidated and Charity Balance Sheets as at 31 December 2023

	Note	Endowment Fund £	Restricted Fund £	Unrestricted	Group Total 2023 £	Restated Group Total 2022 £	Charity Total 2023	Restated Charity Total 2022
Fixed Assets:								
Intangible Assets	8	15,000	-	-	**15,000**	9,253	**15,000**	9,253
Tangible Assets	9	1,592,166	-	-	**1,592,166**	1,659,427	**1,592,166**	1,659,427
Heritage Assets	9	7,000	-	-	**7,000**	47,016	**7,000**	47,016
Investments	10	42,539,014	438,010	982,225	**43,959,249**	43,010,563	**42,977,024**	43,010,563
Total Fixed Assets		**44,153,180**	**438,010**	**982,225**	**45,573,415**	44,726,259	**44,591,190**	44,726,259
Current Assets:								
Debtors	11	2,324,550	-	99,870	**2,424,420**	675,546	**2,284,343**	619,018
Cash at Bank and in Hand		3,068,911	107,282	80,019	**3,256,212**	2,676,184	**3,017,841**	2,643,847
Investments	10	-	-		**-**	-	**-**	**-**
Total Current Assets		**5,393,461**	**107,282**	**179,889**	**5,680,632**	3,351,730	**5,302,184**	3,262,865
Creditors: Amounts Falling due Within One Year	12	277,480	-	26,854	304,334	392,925	218,842	319,714
Net Current Assets		**5,115,981**	**107,282**	**153,035**	**5,376,298**	2,958,805	**5,083,342**	2,943,151
Total Assets less Current Liabilities		**49,269,161**	**545,292**	**1,135,260**	**50,949,713**	47,685,064	**49,674,532**	47,669,410
Pension Liability		**205,000**	**-**	**205,000**	**410,000**	172,000	**205,000**	172,000
Net Assets		**49,064,161**	**545,292**	**930,260**	**50,539,713**	47,513,064	**49,469,532**	47,497,410
Reserves	13							
Expendable Endowment Fund		49,064,161	-	-	49,064,161	47,035,943	49,031,522	47,020,289
Restricted Funds		-	545,292	-	545,292	477,121	438,010	477,121
Unrestricted Fund		-	-	930,260	930,260	-	-	-
Total Funds		**49,064,161**	**545,292**	**930,260**	**50,539,713**	47,513,064	**49,469,532**	47,497,410

As prescribed by s408 Companies Act 2006, the parent charitable company has not presented its own statement of financial activities and related notes.
The charitable company's surplus for 2023 was £1,972,122 (restated 2022: £-3,177,240).

The Financial Statements were approved by the board of Trustees on 7th September 2024 and were signed on their behalf by:

Group Captain M Williams

Trustee and Chair of the Finance and Risk Committee

Companies House registration number 8555984

The notes on pages 56 to 73 form part of these financial statements

THE ROYAL AIR FORCE CENTRAL FUND

Consolidated Statement of Cash Flows
for the period ended 31 December 2023

	2023 £	Restated 2022 £
Cash flows from Operating Activities		
Net cash used in operating activities	-2,614,866	-673,866
Cash flows from Investing Activities:		
Dividend Receipts	1,235,670	735,906
Investment management costs	-168,473	-113,195
Fixed asset additions	-9,926	-3,887
Intangible fixed asset additions	-15,000	-
Proceeds from Sale of Investments	12,300,926	7,678,182
Payment to Purchase Investments	-10,294,403	-7,203,003
Merger Cash In Bank	146,100	-
Net cash provided by investing activities	3,194,894	1,094,003
Change in Cash & Cash Equivalents	580,028	420,137
Cash & Cash Equivalents at 1 January	2,676,184	2,256,047
Cash & Cash Equivalents as at 31 December	**3,256,212**	**2,676,184**

Notes to the Cash Flow Statement

Reconciliation of net Income to net cash flow from operating activities	**2023 £**	**Restated 2022 £**
Net income for the period	3,026,648	-1,897,294
Adjustment for:		
Donation	-1,150,805	
(Gains) on Investments	-1,988,686	1,413,227
Investment Income	-1,244,157	-737,350
Investment Management Fees	384,800	341,566
Depreciation/Amortisation	88,783	90,050
Decrease/(Increase) in Debtors	-1,748,874	76,207
(Decrease) in Other Creditors	-88,591	-132,272
Pension Liability	66,000	172,000
Loss on disposal of asset	40,016	
Net Cash used in operating activities	**-2,614,866**	**-673,866**

Analysis of Cash & Cash Equivalents

	31 December 2022 £	**Cash flow £**	**31 December 2023 £**
Cash in hand	2,676,184	580,028	3,256,212
Total Cash & Cash Equivalents	**2,676,184**	**580,028**	**3,256,212**

Principal Accounting Policies 2023

The group financial statements have been prepared in accordance with the charity's memorandum & articles of association, the Companies Act 2006 and the "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 (FRS102) effective 1 January 2019)". The Charity is a Public Benefit Entity as defined by FRS 102.

The consolidated financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Trustees consider it appropriate for these accounts to be prepared on the going concern basis.

The Trustees have reviewed detailed cash flow projections to 30 June 2025 and have agreed detailed budgets for the year ended 31 December 2024. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the Fund is to support current RAF personnel through individual grants and grants to the sports associations, the level of this necessary expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Historical Cost Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market values and are in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (FRS102)”, applicable Accounting Standards and the Charities Act 2011.

Consolidation

The consolidated group financial statements consist of the financial statements of RAF CF, together with the following entities controlled by the trust RAF SF and RAF TC (its subsidiaries). All financial statements are made up to 31 December 2023.

Where necessary, adjustments are made to the financial statements of the subsidiaries to bring the accounting policies in line with those used by the holding Trust.

All intra-group transactions, balances and unrealised gains on transactions between the group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries are consolidated in the group’s financial statements from the date that control commences until the date that control ceases.

Income

Raising funds income is mainly derived from the Lottery Income and is recognised when the lottery draw takes place.

Investment income is accounted for on an accrual basis and comprises dividend income and interest on cash deposits.

Charitable Activities are returned grants where the beneficiaries were not able to spend the grant in the year or in line with the grant policy.

Other income consists of mostly of bank interest and is recognised on an accruals basis in accordance with the income recognition requirements of FRS102.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the Charity to make payment. All costs have been directly attributed to the functional categories of expenditure in the Statement of Financial Activities.

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Costs of raising funds includes investment manager's fees, the costs of running the RAF Sports Lottery, including prizes and the costs incurred in marketing the Sports Lottery.

Charitable activities consists of grant awards and associated direct and indirectly allocated support costs. Grants payable are charged to the Statement of Financial Activities in the year in which the payment is made to the recipient.

Support costs consist of salary and other expenditure incurred to facilitate the administration and governance of the Charity. Support costs are directly attributed to activities where it is possible to allocate to the activity on a basis of use of resource. Where it is not possible to directly attribute support costs, these are apportioned by the estimated percentage of time utilised by employees on each activity.

Taxation Status

The Charity is exempt from corporation or income taxation based on the Charity applying all of its income and gains for wholly charitable purposes.

Intangible Fixed Assets

Intangible Fixed assets are measured at cost less accumulated amortisation.
Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

• How the software will generate probable future economic benefits;
• The availability of adequate resources to complete the development and use the software;
• The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The intangible assets are amortised over the following useful economic lives:

- Software development costs 2 years
- Intangible assets are not subject to amortisation in the year of recognition, with a full year charged each period thereafter.

Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Due to the unique nature of the charity's properties, they are held at carrying value as there is no available market value or methodology to reliably measure their fair values. The Trustees consider that the realisable value of the property is well in excess of its carrying value and accordingly any depreciation charge is immaterial.

It is the Fund's policy to capitalise all assets with a combined purchase value in excess of £5,000.

Depreciation is calculated on cost less estimated residual value on a straight line basis across the expected useful life of the asset class:

Website and Application Development	2 years
Computers and Information Technology	3 years
Fixtures & Fittings	10 years
Buildings	30 years

Depreciation is not charged in the year of acquisition, with a full year charged in the year of disposal.

The Charity owned a number of items of heritage silverware. These items hold significant cultural importance to the Royal Air Force and the Trustees felt these should be handed to RAF Heritage . These items amounting to £40,016 were disposed of in the year. The Fund continues to own two paintings which hang in the Ministry of Defence building in London. (est value: £7000)

Investments and Gains and Losses on Investments Assets

Quoted investments and investment property are stated at market value at the balance sheet date.

Gains and losses arising on investment assets, both through sale and changes in valuation, are taken to the Statement of Financial Activities in the year they occur. Gains include cash rebates received by the Charity for retail investment management fees arising from holding in-house funds; the Charity pays institutional investment management fees based on the capital value of the Charity's investment portfolio.

Funds Structure

The expendable endowment fund represents the original capital of the Charity. This is maintained wherever possible. Income from the endowment fund is unrestricted.

The restricted fund represents the Mechanics Fund. These funds may only be used for the benefit of trainees, especially those in the engineering disciplines.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives. The surplus for the year arising on RAF Central Fund activities is transferred to the expendable endowment fund at the end of each year.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and use of the designated funds are set out in the notes to the financial statements.

Financial Instruments

The charitable company only has financial assets and liabilities of a kind that qualify as a basic financial instruments. Basic financial instruments are initially recognised at the transaction value and subsequently measured at their settlement value.

Basic Financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at the transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Pensions

The Fund operates a defined contribution workplace pension scheme for the benefit of all eligible employees.
The assets of the scheme are administered by an independent pension provider, with employer pension payments recognised as an expense during the year of payment.

Since 2014 the Charity makes contributions towards the costs of pensions being paid to previous past employees of a by analogy Principal Civil Service Pension Scheme (PCSPS). Entry to the scheme is closed to new employees of the charity.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The costs of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The main judgement in the accounts is:

Properties which are rented out are to be fixed assets of the property rather than investment properties on the basis that they are held to provide accommodation for service personnel first and only if there is spare capacity are they rented out to the general public. On this basis the properties are carried in the accounts at cost.

The main estimates included in the accounts are:

The valuation of investments, which are included at market value as provided by 3rd party valuers.

The estimated residual value of property is considered by the trustees to be in excess of the carrying value , which it is included in the accounts at. There is therefore no depreciation charge currently on buildings.

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the year-ended 31 December 2023

Note 1 Statement of Financial Activities Analysis for the year-ended 31 December 2022

	Unrestricted Fund	Expendable Endowment Fund	Restricted Fund	Restated Total 2022
	£	£	£	£
Income				
Donations	370,952	-	-	**370,952**
Charitable Activities	150,612	-	-	**150,612**
Trading Activities	3,067,206	-	-	**3,067,206**
Investment Income	735,906	-	1,444	**737,350**
Other Income	2,440	-	-	**2,440**
Total Income	**4,327,116**	-	**1,444**	**4,328,560**
Expenditure				
Charitable Activities	2,909,157	-	65,043	**2,974,200**
Raising Funds				
Sports Lottery Operations & Fundraising Trading	1,199,957	-	-	**1,199,957**
Trading Activity	124,904	-	-	**124,904**
Investment Management Costs	-	341,566	-	**341,566**
Total Expenditure	**4,234,018**	**341,566**	**65,043**	**4,640,627**
Net gains on investments	-	-1,413,227	-	-1,413,227
Net Income/(Expenditure)	**93,098**	**-1,754,793**	**-63,599**	**-1,725,294**
Introduction of a pension Liability				
Actuarial (losses) on defined benefit pension schemes	**-172,000**			**-172,000**
Transfers between Funds	78,902	-78,902	-	**-**
Net Movement in Funds	**-**	**-1,833,695**	**-63,599**	**-1,897,294**
Total Funds Bought Forward	-	47,605,346	540,720	**48,146,066**
Effective prior year adjustment	-	1,264,292	-	**-**
Total Funds Carried Forward	-	47,035,943	477,121	**47,513,064**

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the year-ended 31 December 2023

Note 2 Income

Analysis		2023 £	Restated 2022 £
Donations	Donations	**189,289**	370,952
	Restricted Donations	**113,902**	**-**
	Total	**303,191**	370,952
Charitable Activities	Returned Grants	**101,272**	150,612
	Grant In Aid	**226,935**	**-**
	Total Unrestricted	**328,206**	150,612
Raising Funds	Lottery Ticket Sales	**2,943,699**	2,896,177
	Other Trading Income	**165,399**	171,029
	Total Unrestricted	**3,109,099**	3,067,206
Investment Income	Dividends on Investments	**1,235,670**	737,350
	Restricted Dividends on Investments	**8,487**	**-**
	Total	**1,244,157**	737,350
Other Income	Miscellaneous Receipts	**6,537**	2,440
	Unrestricted Merger Donation	**1,055,970**	**-**
	Restricted Merger Donation	**94,835**	**-**
	Total	**1,157,342**	2,440

Note 3 Expenditure

Analysis		2023 £	Restated 2022 £
Raising Funds	RAF Sports Lottery Operations	**1,243,516**	1,201,137
	Fundraising Activity	**3,028**	-1,180
	Investment Management Fees	**384,800**	341,566
	Trading Company Activity	**108,209**	124,904
	Total	**1,739,552**	1,666,427
Charitable Activities*	Enrichment Facilities and Projects	**153,481**	143,125
	Sports Associations Grants	**1,520,340**	1,388,706
	Sports Associations Support Services	**277,710**	**-**
	Development Through Sports Grants	**891,781**	897,871
	Sports Facilities	**452,604**	541,372
	Grants to Service Support Charities	**2,565**	3,126
	Total	**3,298,480**	2,974,200

* See Note 4 for analysis of support costs

The numbers above include restricted expenditure amounting to £149,053 broken down as follows:
Under Sport Association Grants restricted funds represent £101,455.
Under Development Through Sports Grants restricted funds represent £12,500 (2022: £65,043).
Under Sports Facilities restricted funds represent £35,098.

Note 4 Support Costs

	Raising Funds £	Charitable Activity £	Total Cost 2023 £	2022 £
Staff Costs	110,230	592,483	**702,714**	485,756
Other Costs	53,120	258,817	**311,937**	238,601
Governance Costs	-	116,344	**116,344**	45,489
Total	163,350	967,644	**1,130,994**	769,846

The support cost elements of staff and other expenses have been attributed on a basis consistent with the use of resources. Where costs cannot be allocated directly to activities, they are apportioned by the estimated percentage of time spent by each employee on each activity.

Support costs are included in the overall expenditure totals for each activity at Note 3.

Note 5 Audit Fees

	2023 £	2022 £
Auditors' Fees for Reporting on the Accounts - Charity	**19,200**	15,840
Auditors' Fees for Reporting on the Accounts - Trading Subsidiary	**2,400**	2,500
Auditors' Fees for Reporting on the Accounts - Sports Federation	**7,500**	-
Fees payable to previous auditors - Sports Federation Subsidiary	**4,554**	-
Other fees payable to auditors	**1,500**	-
	35,154	**18,340**

Note 6 Trustees & Employees

6.1 Staff Costs	2023 £	2022 £
Wages and Salaries	**623,240**	434,015
Employer's National Insurance Costs	**62,898**	43,059
Employer's Pension Costs	**16,576**	8,681
Total Staff Costs	**702,714**	485,756

Note 6.1 (continued)

1 employee earned between £60,001 and £70,000 during the period (2022: 1, £60,001 and £70,000).
1 employee earned between £100,001 and £110,000 during the period (2022: 1, £100,001 and £110,000).
1 employee earned between £110,001 and £120,000 during the period.

The Fund made payment to its key management personnel of £290,028 during 2023 (2022: £181,153).
The members of key management role are considered to be 2 CEOs and 1 COO.

6.2 Average Headcount

	2023 Average	2022 Average
Full-Time	**12.00**	8.00
Part-Time	**4.00**	4.00
Total	**16.00**	12.00

6.3 Payments to Trustees

Trustees neither received nor waived any emoluments during 2023 (2022: £nil). Out of pocket expenses were reimbursed to Trustees amounting to £419 (2022: £121).

Note 7 Grants and Programme

	Grants 2023 £	**Support Costs 2023 £**	**Total Grants 2023 £**	**Restated Total Grants 2022 £**
Enrichment Facilities and Projects	22,160	131,321	**153,481**	**143,125**
Sports Associations Grants	1,323,375	196,965	**1,520,340**	**1,388,706**
Sports Associations Support Services	**-**	277,710	**277,710**	**-**
Development Through Sports Grants	746,729	145,052	**891,781**	**897,870**
Sports Facilities	238,572	214,032	**452,604**	**541,372**
Grants to Service Support Charities	**-**	2,565	**2,565**	**3,127**
Total	**2,330,836**	**967,645**	**3,298,480**	**2,974,200**

Note 7 Grants (continued)

Grants made to Institutions

Grants to Institutions with a value in excess of £25,000 are shown individually:

	Grant Award 2023 £	Restated Grant Award 2022 £
RAF Akrotiri	**78,973**	-
RAF Cosford	**48,688**	67,943
RAF Cranwell	**56,548**	50,000
RAF Halton	**33,038**	-
Deployed Forces	**22,160**	29,415
RAF Leeming	**13,938**	24,660
RAF Lossiemouth	**10,259**	35,000
RAF Marham	**41,292**	-
RAF Wittering	**34,436**	-
RAF Angling Association	**54,283**	48,910
RAF Bobsleigh, Luge and Skeleton Association	**110,563**	117,461
RAF Equitation	**34,460**	29,885
RAF Football Association	**48,990**	27,281
RAF Gliding & Soaring Association	**44,057**	41,357
RAF Golf Association	**34,599**	36,849
RAF Microlight Flying Sports Association	**31,490**	56,775
RAF Motor Sports Association	**87,233**	106,103
RAF Nordic Association	**26,359**	25,747
RAF Rowing Association	**11,587**	29,846
RAF Sailing Association	**60,353**	72,199
RAF Small Arms Association	**53,125**	56,725
RAF Sports Parachuting Association	**36,883**	32,527
RAF Swimming Association	**38,811**	41,367
RAF Waterski & Wakeboard Association	**27,111**	25,111
RAF Winter Sports Association	**89,503**	101,961
Others	**503,493**	565,970
Other stations grants from gift aided profit	**-**	115,951
Total Grants	**1,632,233**	1,739,043

During the year 2,766 grants were made to individuals (2022: 2,393) at a value of £698,603 (2022: £597,883) to enable access to sport and physical activity.

Note 8 Intangible Fixed Assets Group and Charity

	Software Development
	£
Cost brought forward at 1 Jan 23	43,387
Additions	15,000
Disposals	-
Cost carried forward at 31 Dec 23	**58,387**
Amoritisation brought forward at 1 Jan 22	34,134
Provision for Year	9,253
Released on disposal	-
Amortisation carried forward at 31 Dec 23	**43,387**
Net Book Value brought forward at 1 Jan 23	9,253
Net Book Value carried forward at 31 Dec 23	**15,000**

Note 9 Group Tangible Fixed Assets

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Total
	£	£	£	£	£
Cost brought forward at 1 Jan 23	1,661,484	46,747	240,744	47,016	1,995,991
Additions	-	3,836	6,090	-	9,926
Disposals	-	-17,328	-4,680	-40,016	-62,024
Cost carried forward at 31 Dec 23	**1,661,484**	**33,255**	**242,154**	**7,000**	**1,943,893**
Depreciation brought forward at 1 Jan 23	145,883	36,561	104,761	-	287,205
Provision for year	49,665	6,221	23,644	-	79,530
Released on disposal	-	-17,328	-4,680	-	-22,008
Depreciation carried forward at 31 Dec 23	**195,548**	**25,454**	**123,725**	**-**	**344,727**
Net Book Value brought forward at 1 Jan 23	1,515,601	10,186	135,983	47,016	1,708,786
Net Book Value carried forward at 31 Dec 23	**1,465,936**	**7,801**	**118,429**	**7,000**	**1,599,166**

Note 9a Charity Tangible Fixed Assets

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Total
	£	£	£	£	£
Cost brought forward at 1 Jan 23	1,661,484	33,229	236,064	47,016	1,977,793
Additions	-	3,836	6,090	-	9,926
Disposals	-	-11,915	0	-40,016	-51,931
Cost carried forward at 31 Dec 23	**1,661,484**	**25,150**	**242,154**	**7,000**	**1,935,788**
Depreciation brought forward at 1 Jan 23	145,883	25,386	100,081	-	271,350
Provision for year	49,665	3,878	23,644	-	77,187
Released on disposal	-	-11,915	-	-	-11,915
Depreciation carried forward at 31 Dec 23	**195,548**	**17,349**	**123,725**	**-**	**336,622**
Net Book Value brought forward at 1 Jan 23	1,515,601	7,843	135,983	47,016	1,706,443
Net Book Value carried forward at 31 Dec 23	**1,465,936**	**7,801**	**118,429**	**7,000**	**1,599,166**

Freehold land and buildings consists of the charity's properties at: Vine Lane, Danesfield and Feshiebridge Lodge.

The Fund additionally owns the Halton Tennis Centre. In 2007 the Trustees signed a 999 year agreement to lease the Centre to the RAF Lawn Tennis Association. The agreement places the responsibilities for the maintenance, insurance and upkeep of the property with the Association as the tenant. In accordance with FRS102, the carrying value of the Halton Tennis Centre, being the cost of purchase of the Centre from the Secretary of State in 2007 of £255,200 is not recognised in the financial statements as the Charity has no rights or responsibilities with regards to the property until the lease completes in 3006.

Vine Lane was donated to the Fund on 1 July 1964 and is currently utilised under licence from the Fund by the RAF Cricket Association as the Home for Sport for RAF Cricket.

The land at Danesfield was originally purchased in conjunction with the Nuffield Trust for the Forces of the Crown ('the Nuffield Trust'). The site was wholly made over to the Fund under a deed dated March 1982, with the Fund acquiring the totality of the site for a cost of £26,300. The site is currently utilised under licence from the Fund by the RAF Rowing and Canoeing Associations as the Homes for Sport for RAF Rowing and Canoeing and by 22 Group (RAF) to provide facilities for force development and adventurous training for RAF personnel.

Feshiebridge Lodge was purchased in 1989 for £139,187. The asset has been included in the balance sheet at £139,187. Originally purchased as an adventure training centre, the Lodge is now wholly focused on providing an enrichment welfare and recreational centre for personnel and their families. Work was completed on the site in 2020. Costs incurred were £1,489,947.

During the year a collection of silver, which has been held by the Charity was disposed of. There were no proceeds received for this disposal.

Note 10 Investments

10.1 Fixed Assets Investments	2023 £	2022 £
Carrying value brought forward	44,184,923	45,125,897
Additions to investments at cost	10,302,892	7,204,446
Disposals at carrying value	-12,300,926	-7,678,182
Management Fee	-216,326	-228,371
Realised gain/(loss) on sale	-861,694	127,519
Unrealised revaluation movement	2,850,380	-1,540,746
Carrying value carried forward	**43,959,249**	43,010,563
Historic cost as at 31 December	**40,153,733**	41,833,623

10.2 Analysis of Investments	Market value 31 December 2023 £	Market value 31 December 2022 £	Income from Investments 2023 £	Income from Investments 2022 £
Charity				
CCLA Investments	**155,948**	149,401	**8,487**	1,444
Blackrock Charinco Common Investment Fund	**11,542**	15,328	**467**	350
Insight Global ABS Fund	**1,813,809**	1,744,097	**94,851**	41,624
Savills - Charities Property Fund	**3,620,501**	3,851,286	**235,388**	160,259
Marathon - Distressed Credit Fund	**2,489,609**	2,461,739	**117,637**	-
Ardevora	**1,368,193**	1,266,300	**20,147**	21,245
Baillie Gifford	**1,229,742**	1,128,292	**6,789**	-
LGIM	**15,794,878**	9,288,992	**317,629**	175,327
Barings	-	5,320,421	**88,111**	337,101
Beachpoint	-	5,759,574	-	-
Knightsbridge	**954,414**	747,318	-	-
JP Morgan -IIF Uk 1	**5,065,831**	5,161,985	**283,916**	-
IFM	**6,597,002**	6,115,831	**30,366**	-
Marathon Secured	**763,516**	-	**2,639**	-
Blackstone	**617,904**	-	**7,782**	-
Napier Park	**2,494,137**	-	-	-
Charity Total	**42,977,024**	**43,010,563**	**1,214,208**	**737,350**
Blackrock Armed Forces Charities Growth & Income Fund	**982,225**	-	**29,950**	-
Group Total	**43,959,249**	**43,010,563**	**1,244,158**	**737,350**

10.3 Investment in Subsidiaries

	2023	2022
Brought forward and carry forward value	£1	£1

The Investment is in the Royal Air Force Central Fund Trading Limited, which is a company registered in England and Wales.
Its registered number is 8747522, its principal activity is the letting of the charity's Feshiebridge property.

10.4 Material Investment Holdings

The following investments represent material holdings in excess of 5% of the portfolio at the period end within the total investment portfolio (excluding direct property investments):

	Market Value £	Percentage of Portfolio
Savills - Charities Property Fund	**3,620,501**	**8%**
Marathon - Distressed Credit Fund	**2,489,609**	**6%**
LGIM	**15,794,878**	**36%**
Napier Park	**2,494,137**	**6%**
JP Morgan - IIF UK 1	**5,065,831**	**12%**
IFM	**6,597,002**	**15%**

Note 11 Debtors and Prepayments

Group

Analysis of Debtors	**2023 £**	Restated 2022 £
Trade Debtors	**182,396**	215,038
Prepayments and Accrued Income	**2,242,023**	460,508
Total	**2,424,420**	675,546

Charity

Analysis of Debtors	**2023 £**	Restated 2022 £
Trade Debtors	**79,455**	173,313
Prepayments and Accrued Income	**2,204,888**	445,705
Total	**2,284,343**	619,018

Accrued income represents the net of monies collected by the Charity's External Lottery Manager from RAF Sports Lottery players during December, not yet received by the Fund or utilised in play and the Investment dividends for Q4 2023, payable in Q1 2024.

Note 12 Creditors and Accruals

Group

Analysis of Creditors falling due within one year	**2023 £**	Restated 2022 £
Committee Grant Creditors	**-**	-
Sports Grant Creditors	**-3**	-8,904
Tax and Social Security Creditors	**15,925**	11,819
Accruals and Deferred Income	**261,012**	357,656
Other Creditors	**27,401**	32,354
Total	**304,335**	392,925

Charity

Analysis of Creditors falling due within one year	**2023 £**	Restated 2022 £
Committee Grant Creditors	**-**	-
Sports Grant Creditors	**-3**	-8,904
Tax and Social Security Creditors	**14,521**	11,819
Accruals and Deferred Income	**181,910**	290,645
Other Creditors	**22,415**	26,154
Total	**218,842**	319,714

Notes to the Financial Statements for the year-ended 31 December 2023

Note 13 Funds

13.1 Funds Held

Fund Name	Type	Purpose and Restrictions
Expendable Endowment	Expendable Endowment	Expendable Endowment for RAF Central Fund - Unrestricted.
Mechanics Fund	Restricted	Monies transferred into the RAF Central Fund upon close of the Mechanics Endowment Fund. Restricted for the benefit of RAF trainees, especially those in the engineering disciplines.
BAE Systems	Restricted	Restricted Funds to support elite and High Performing Athletes
CAE	Restricted	Provided for RAF Sports
RAF Charitable Trust	Restricted	Used to grow RAF Sport by Investing in serving personnel (Coaching, Match Officials, 1st Aiders)
Royal British Legion	Restricted	A partnership for 5 RAF Sports Associations
Nuffield Trust Grant	Restricted	To be used by the Associations in Sports Equipment

Note 13.2 Funds

13.2 Movements of Major Funds

Fund Names	Fund balances brought forward as previously stated	Prior Year adjustment	Restated Fund balances bfw £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £	Charity balances carried forward £
General Reserves	-	-	-	1,235,670	-108,209	-406,638	-66,000	**930,260**	-
Expendable Endowment Fund	46,048,510	-46,048,510	-	-	-	406,638	-	**406,638**	**373,999**
Mechanics Endowment Fund	477,121	-	**477,121**	113,902	-1,350	-	-	**589,673**	**589,673**
BAE Systems	-	-	-	42,086	-8,545	-	-	**33,541**	-
CAE	-	-	-	18,774	-2,518	-	-	**-**	-
RAF Charitable Trust	-	-	-	200	-3,475	-	-	**-3,275**	-
Royal British Legion	-	-	-	-	-865	-	-	**-865**	-
Nuffield Trust Grant	-	-	-	83,702	-86,053	-	-	**-2,351**	-
Total Funds	**46,525,631**	**-46,048,510**	**477,121**	**1,494,334**	**-211,015**	-	**-66,000**	**1,953,621**	**963,671**

Included within reserves above is £3,805,515 (2022: £1,176,940) of unrealised gains relating to the Group investments.
Included within reserves above is £3,426,124 (2022: £1,176,940) of unrealised gains relating to the Charity investments.

13.3 Movement of Major Fund 2022

Fund Names	Restated Fund balances bought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £	Restated Charity balances carried forward £
General Reserves	-	4,327,116	-4,406,018	78,902	-	-	-
Expendable Endowment Fund	48,869,638	-	-341,566	-78,902	-1,413,227	**47,035,943**	**47,020,289**
Mechanics Endowment Fund	540,720	1,444	-65,043	-	-	**477,121**	**477,121**
Total Funds	**49,410,358**	**4,328,560**	**-4,812,627**	-	**-1,413,227**	**47,513,064**	**47,497,410**

Note 13 Funds

13.4 Transfers Between Funds

From Fund (Name)	To Fund (Name)	Reason	Amount
General Reserves	Expendable Endowment	Support 2023 Grant Awards	-406,638

13.5 Group Analysis of Net Funds

	Expendable Endowment £	Restricted Funds £	Unrestricted Funds £	Total Funds £	Total 2022 Restated £
Intangible Fixed Assets	15,000	-	-	**15,000**	9,253
Tangible Fixed Assets	1,599,166	-	-	**1,599,166**	1,706,443
Fixed Asset Investments	42,539,014	438,010	982,225	**43,959,249**	43,010,563
Net Current Assets	5,115,981	107,282	153,035	**5,376,298**	2,958,805
Pension Liability	205,000	-	205,000	**410,000**	172,000
Total Net Assets	**49,064,161**	**545,292**	**1,340,260**	**50,539,713**	47,513,064

13.6 Charity Analysis of Net Funds

	Expendable Endowment £	Restricted Funds £	Unrestricted Funds £	Total Funds £	Total 2022 Restated £
Intangible Fixed Assets	15,000	-	-	**15,000**	9,253
Tangible Fixed Assets	1,599,166	-	-	**1,599,166**	1,706,443
Fixed Asset Investments	42,539,014	438,010	-	**42,977,024**	43,010,563
Net Current Assets	5,083,342	-	-	**5,083,342**	2,958,805
Pension Liability	205,000	-	-	**205,000**	172,000
Total Net Assets	**49,031,522**	**438,010**	-	**49,469,532**	47,513,064

Note 14 Commitments and Contingent Liabilities

Since 2014, the Fund makes contributions towards the costs of pensions being paid to these past employees under a by analogy Principle Civil Service Pension Scheme ('PCSPS').

Note 15 Endowed Grants

Historically the Fund has provided grant funding to support the introduction of any new Mess or Junior Rank Welfare Fund facilities. Grant funding has been provided on the basis that the unit has no power to convert the capital provided into income and that the grant funding provided is to be held indefinitely.

All entities granted these permanently endowed grant funds must invest and seek to maintain the grant at a value no less than the original endowed grant monies, subject to market value losses and deflation. Income generated from the invested funds are restricted to support the appropriate charitable activities of the associated Mess or Junior Ranks Welfare Fund.

Endowed grant funds are returned to the Fund only on the extremely rare occurrence of the closure of an RAF unit and its associated Messes and Junior Rank Welfare Funds. Due to the expectation that funds will be retained indefinitely at the units, the Fund considered these to represent contingent assets and hence no value is recognised in the financial statements.

The value of endowed grant funds held at units as at 31 December 2023 is deemed to be £2,092,363 (2022: £2,165,217).

Note 16 Prior year adjustment

During the year ended 31 December 2023 the value of the Charity's liability in relation to the legacy RAF Sports Board Superannuation scheme became determinable. Whilst this obligation always existed and was disclosed as a contingent liability, there was insufficient information to reliably measure the extent of the liability before this date. Consequently, the pension scheme liability had not previously been included in the balance sheet. As a result of becoming determinable the 2022 comparatives have been restated to take into account this prior year adjustment. The impact of this adjustment means that total funds decreased by £172,000 as at 31 December 2022.

Sports

Following the merger in January 2024 of 35 RAFCF grant receiving Sports Associations within the Charity, the requirement for an adjustment of the grants given needed to be restated in Central Fund accounts to ensure we were aligned. These used to be recognised when the offer was conveyed and paid in the following year.

	2023	2022	2021
Income	47,642	113,762	-239,628
Cost Increase/(Decrease)	52,060	-8,903	-1,024,664
	99,702	104,859	-1,264,292

Note 17 Pension Liability

The Charity participated in the RAF Sports Board superannuation scheme, a defined benefit pension scheme. The scheme's liabilities are shared 25:25:50 between RAF Sports Federation, RAF Central Fund and The Royal Air Force. The liability shown in the balance sheet therefore represents 25% of the total scheme liabilities. The scheme was bought out in 2024 for closure and the final buyout figure is £820,000 and Central Funds' share is £205,000.

	2023
Opening	172,000
Increase in Line with buyout value	33,000
Closing	205,000

	2023	restated 2022
Amounts recognised in the statement of financial activities are as follows		
Current service cost	33,000	172,000
Total	33,000	172,000

Note 18 Subsidiary Entities

18.1 RAF Central Fund Trading Limited

The results of the Fund's wholly owned subsidiary elements are within the consolidated SOFA as follows:

	2023	2022
	£	£
Income		
Trading Income	164,860	171,829
Total Income	**164,860**	**171,829**
Expenditure		
Trading Activities	132,221	156,175
Total Expenditure	**132,221**	**156,175**
Net Result of Subsidiary	**32,639**	**15,654**

RAF Central Fund Trading Ltd
Company Number: 8747522

A company set up for the RAF Central Fund to conduct trading in support of its charitable objectives.

18.2 RAF Sports Federation

The results of the Fund's wholly owned subsidiary elements are within the consolidated SOFA as follows:

	2023	2022
	£	£
Income from:		
Donations	113,702	112,408
Charitable activities	338,527	406,075
Other trading activities	1,652	2,342
Investments	46,820	45,753
Total Income	**500,700**	566,578
Expenditure on:		
Charitable activities	577,845	769,916
Total expenditure	**577,845**	769,916
Net gain / (loss) on investment assets	-8,851	-201,636
Net income/(Expenditure)	**-85,996**	-404,974
Pension liability		
Actuarial gains/(losses) on defined benefit pension schemes	-33,000	50,000
Net Movement in Funds	**-118,996**	-354,974
Funds brought forward	1,156,536	1,511,510
Funds carried forward	**1,037,540**	1,156,536

RAF Sports Federation
Charity number :1168287

The Charity provides a comprehensive financial management service, charity governance support and assurance, human resources guidance, income generation advice, support and communications services to 54 RAF Sports Associations.

Note 19- Outstanding Commitments

The Fund had no outstanding commitments as at 31 December 2023. (2022: £nil)

Note 20 Events after the end of the reporting period

Following the merger of The Royal Air Force Sports Federation with The Royal Air Force Central Fund in April 2023, on 1 January 2024 all assets and liabilities of The Royal Air Force Sports Federation were transferred to The Royal Air Force Central Fund and the Charity will be closed.

On the 1st January 2024 the Charity also merged with 35 sports associations which have been dissolved.

THE ROYAL AIR FORCE CENTRAL FUND

England & Wales - Charity number 1152560

Accounts

ROYAL AIR FORCE CENTRAL FUND

ANNUAL REPORT

2022

Registered Company Number: 8555984 Charity Registered in England and Wales: 1152560
Charity Registered in Scotland: SC044299

CONTENTS

2 REFERENCE AND ADMINISTRATIVE DETAILS

6 A MESSAGE FROM THE CHAIR

7 A MESSAGE FROM THE CEO

10 THE TRUSTEES' REPORT

14 PROPERTIES

17 PROGRESS AGAINST STRATEGIC OBJECTIVES

30 PLANS FOR FUTURE PERIODS

34 LEGAL STATUS AND ORGANISATION

37 MANAGEMENT AND COMMITTEES

41 RISK MANAGEMENT

43 REVIEW

46 TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

51 STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2022

52 BALANCE SHEET AS OF 31 DECEMBER 2022

53 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

54 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Dr E Molloy	Chair
Warrant Officer J Crossley	
Mr J C Michaelson	
Mrs A Farmery	
Group Captain M Williams	
Group Captain C Baker	
Air Vice-Marshal J Ellis	Resigned 13 April 2022

FINANCE AND RISK COMMITTEE MEMBERS

Group Captain A Portlock	Chair
Group Captain M Williams	Trustee Member
Wing Commander K Tinkler	
Mr B Cartledge	
Group Captain S Brewin	

GRANTS COMMITTEE MEMBERS

Warrant Officer J Crossley	Chair & Trustee Member
Mr M Nurse	
Squadron Leader G MacKay	
Group Captain D Murty	Appointed 25 October 2022
Squadron Leader R McPhee	Appointed 22 March 2022
Warrant Officer E Kerslake	Appointed 22 March 2022
Warrrant Officer G Evans	Appointed 22 March 2022
Squadron Leader F Maybury	Appointed 14 June 2022
Squadron Leader F Farthing	Appointed 25 October 2022
Warrant Officer A Thomas	Appointed 25 October 2022
Master Aircrew J Stone	Appointed 25 October 2022
Warrant Officer J Wall	Resigned 22 March 2022
Warrant Officer S Cotman	Resigned 22 March 2022
Squadron Leader C Spear	Resigned 22 March 2022
Squadron Leader R Causer	Resigned 22 March 2022
Group Captain C Owen	Resigned 22 March 2022
Squadron Leader P Luckett	Resigned 4 May 2022
Warrant Officer T Buxton	Resigned 14 June 2022
Warrant Officer M Ratten	Resigned 25 October 2022
Squadron Leader A Lynn	Resigned 25 October 2022

REMUNERATION COMMITTEE MEMBERS

Mrs A Farmery	Chair & Trustee Member
Group Captain M Williams	Trustee Member
Warrant Officer J Crossley	Trustee Member

INVESTMENT COMMITTEE MEMBERS

Mr J C Michaelson	Chair & Trustee Member
Mrs S Bridgeland	
Group Captain M Williams	Trustee Member
Mr J Brown	

PRINCIPAL OFFICERS OF THE CHARITY

Mrs N Graske	Company Secretary
Mr R Perriam	Chief Executive Officer

REGISTERED ADDRESS

Hurricane Block Headquarters
Air Command
RAF High Wycombe
Buckinghamshire
HP14 4UE

PRINCIPAL OFFICE

RAF Central Fund Danesfield
New Lock Lane
Henley Road
Medmenham
Buckinghamshire
SL7 2EY

PROFESSIONAL ADVISORS

Lane Clark & Peacock LLP
95 Wigmore Street
London
W1U 1DQ

INVESTMENT MANAGERS

Marathon Distressed Credit Fund, LP
Savills Investment Management Ltd
Insight Investment Global ABS Fund
Baillie Gifford & Co Ltd
Legal and General Investment Management Ltd
Barings Global Investment Funds 2 Plc
Knightsbridge Advisers LLC
JP Morgan Ltd
CCLA Fund Managers Ltd
BNY Mellon Alternative Investment Services Ltd
Link Fund Administrators (Ireland) Ltd
IFM Investors

REGISTERED AUDITORS

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

LEGAL ADVISORS

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Russell-Cooke LLP
2 Putney Hill
London
SW15 6AB

BANKERS

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

2020

A MESSAGE FROM THE CHAIR

2022 was a year of opportunity at the RAF Central Fund. It was the first full year of uninterrupted sport and physical activity post the pandemic and therefore served as an ideal juncture for us to build an even stronger platform of support for the future.

During the previous two and a half years, the Central Fund had to pivot to new ways of working to meet the changing needs of our beneficiaries. Temporary changes to some of our processes and services during the pandemic proved popular enough for the team to adopt them on a full-time basis. These improvements resulted in us being able to support more serving personnel getting access to sport and physical opportunities in 2022.

Whilst we adapted our tactical delivery model, we also worked hard behind the scenes with our partners at the Directorate of RAF Sport (DRS) and the Sports Federation to explore how to improve the strategic model of sport in the RAF. While the benefits of this will be felt in 2023 and beyond, the foundations were laid in 2022. The two charity boards, chief executives and senior leadership teams focused on combining their respective skill sets to work together to create the right environment for building a smarter RAF sports ecosystem. This model should allow for decreased administrative burden and liability for sports associations, improved efficiencies and greater funding for all. It won't be quick or easy, but the teams are aligned in their desire to deliver this model in order that serving personnel of every ability in the RAF can benefit from improved access to sport and physical activity. At its highest level the model involves three phases:

1. The merging of the RAF Central Fund and RAF Sports Federation with the entity being called the RAF Central Fund.
2. The folding in of the RAF Sports Associations into the RAF Central Fund.
3. Leveraging the benefits of the simplified construct .

There are exciting opportunities underpinning the various phases, which include a framework improving the links between station sports and sports associations, and improved sponsorship opportunities for RAF Sport.

This work will not only help us to deliver our vision of enabling all serving RAF personnel to access sporting opportunities and physical activities but will also enable DRS to deliver their RAF Sport Strategy. It is unusual to have a win-win in the sports world but I am confident we will achieve just that.

Eamonn Molloy

Dr Eamonn Molloy
Chair, RAF Central Fund

A MESSAGE FROM THE CEO

Sport hit the ground running in 2022 with a return to business as usual for many disciplines. After two years of disruption, it was inspiring to see so much activity taking place as evidenced by the Central Fund team out supporting multiple fixtures ranging from motorsports to volleyball and lacrosse.

Also inspiring was the number of applications from stations for the inaugural RAF Central Fund Award at the 2022 RAF Sport Awards. There are some truly excellent sporting and physical activities being delivered at station level, which meant that the winning station had to submit something extraordinary to win. That bid came from RAF Coningsby in the form of Project Delapsus. This initiative supports frontline personnel by forward-basing PTIs on squadrons, using sustainable transport and mobile gyms to deliver sport to personnel at a time of their choosing.

RAF Coningsby had a busy couple of months as shortly after winning the award they were visited by HRH Prince William who, amongst other duties, met with the representatives of the women's football team and opened the new Central Fund supported boxing gym. He was also kind enough to remark how good it was that a charity like the RAF Central Fund existed to support serving personnel in their chosen sport.

Trustees Annual Reports usually paint an overly positive picture, however, we try to be as transparent as possible so it's only right to mention initiatives that didn't work as well as expected. Although we were one of the very first sporting organisations in the UK to partner with JoyMo to generate income for associations through televised sports events, the low take-up/interest levels from the RAF Sport associations meant that the trial did not progress further. Lessons were learned though, which have helped inform other opportunities.

Whilst we continue to explore contemporary ways to support sport and physical activity in the RAF, we are also looking at how we deliver those products and services. In 2022 we set about measuring our carbon footprint by calculating not only our direct impact but also our indirect impact through investments and sports associations. We have identified our United Nations sustainable goals and have written our action plan which will become more evident in 2023.

Our Chair has already noted the work that has gone into creating the new RAF Sport ecosystem and whilst the team continues to prepare for delivering Phase 2 in 2023, we already have an eye on Phase 3, so that we can set the conditions to leverage sport to the best effect for you all.

In the meantime, I wish you all a healthy and successful year of sport ahead.

Mr Ross Perriam
Chief Executive Officer, RAF Central Fund

The RAF Central Fund has been a consistent source of support throughout my time playing sport in the RAF. Through the charity's support of the Sports Associations and Station club funding to their Individual Sports Grants scheme. The financial assistance provided by the Fund has helped massively towards the kit required for my sports and goes a long way in relieving some of the stress that comes with making sure you have enough funding for the season ahead.

Cpl Phillip Morley-Jones

"THANK YOU FOR THE AMAZING SUPPORT THAT YOU HAVE GIVEN US THROUGHOUT THE YEAR. IT REALLY HAS MADE A DIFFERENCE IN HELPING US TO ACHIEVE OUR SPORTING GOALS AND SET US UP FOR SUCCESS IN THE YEARS AHEAD."

As a beneficiary of the Fund's hard work myself, I am passionate about ways I can help people get involved and find the power of sport. None of my running opportunities or achievements would have been possible without the support of the RAF Central Fund.

Cpl Emily Brown (Reservist and RAF Central Fund Ambassador)

"RAF VOLLEYBALL HAS ALWAYS BENEFITTED FROM THE CENTRAL FUND'S GENEROSITY AND I'D LIKE TO EXTEND MY THANKS TO THE TEAM FOR ALL YOUR WORK IN SUPPORTING OUR SPORTING ENDEAVOURS. THIS YEAR OUR WOMEN'S TEAM WON THE CROWN SERVICES IN MAY AND CAME A VERY CLOSE SECOND TO THE ARMY IN OUR INTER-SERVICES COMPETITION. SIMILARLY, OUR MEN'S TEAM WERE RUNNERS UP AT CROWNS, BUT WENT ON TO WIN THE INTER-SERVICES COMPETITION. YOUR FUNDING REALLY DOES MAKE A BIG DIFFERENCE."

None of my success in sport would have been possible without the help and support of the Central Fund; they continue to provide an unrivalled amount of support to RAF personnel to achieve their sporting achievements and for that I will be forever indebted to the charity, and everyone involved with it.

Sgt Danny Burke

ROYAL
AIR FORCE
equitation

THE TRUSTEES' REPORT
YEAR ENDED 31 DECEMBER 2022

The Trustees, who are also directors of the Royal Air Force Central Fund for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2022. The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice "Accounting & Reporting by Charities" (FRS102) and in line with current statutory requirements, the Charity's Constitution and applicable Accounting Standards in the United Kingdom.

CHARITABLE OBJECT AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Memorandum and Articles of Association defines the Fund's object as a charity that is:

> *Specifically restricted to the general benefit of members or former members of the Royal Air Force and their dependants in such charitable ways as the Trustees think fit.*

This object presents the Trustees with wide powers, enabling them to provide charitable assistance to the RAF Community, primarily via charitable grants.

The core vision of the Fund, to provide support to those serving in the RAF today and on an enduring basis, continues to underpin the ethos and activities of the Charity. From the Fund's origins back in 1919, through to the present day, the Fund has remained steadfast in its duty to support those who serve in the RAF. Working directly alongside those we support ensures the Charity is able to remain focused on and react quickly to their evolving needs through amenities and sports provisions.

VISION

For all serving personnel to develop their full potential through sport and physical activity.

MISSION

To enable all serving RAF personnel to access sporting opportunities and physical activities.

STRATEGIC OBJECTIVES

- Broaden the Charity's understanding of how the challenges of service life affect the RAF community with regards to health and fitness.
- Develop and deliver flexible, accessible support programmes that reach those most in need.
- Significantly increase awareness of its work within the RAF community.
- Manage the Charity as effectively and efficiently as possible.
- Grow and sustain the resources required to meet the needs of its beneficiaries.

PUBLIC BENEFIT

The Trustees recognise the two principles of public benefit and believe that the objectives and activities of the Fund formally meet these principles.

> *For all serving personnel to develop their full potential through sport and physical activity.*

Working towards this vision assists in the promotion of military efficiency which underpins esprit de corps and team working, whilst additionally encouraging personnel to develop the character, spirit and attitude to face challenges and danger associated with military service. As a result, the Fund provides a benefit not only to its direct beneficiary group but additionally to the general public in helping to provide personnel who are motivated, have high morale and are willing to serve the needs of their country and that of its public, at all times.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

2023
ROYAL AIR FORCE
ARD ROCK
607

PROPERTIES

As a charity, the Fund is committed to working with serving personnel to find the best methods to enhance and support them as they work and live within the RAF community. One of the ways this is achieved is through its sporting centres and recreational accommodation, providing serving personnel bespoke venues for taking part in their sport or outdoor activity of choice.

FESHIEBRIDGE LODGES

Completely rebuilt in 2019, this recreational accommodation located near Aviemore in the Cairngorms National Park is prioritised for serving RAF personnel to use for holidays, outward bound courses and decompression.

2022 was the first year post pandemic restrictions that the site was open for the full 12-month period and saw an occupancy rate of 87%, of which 27% of the bookings were made by serving personnel.

"BEYOND EXPECTATIONS, GREAT VALUE"

“THE LODGE WAS CLEAN, COSY, COMFORTABLE AND VERY WELL EQUIPPED. CAN’T WAIT TO BOOK OUR NEXT TRIP!”

HALTON TENNIS CENTRE

Halton Tennis Centre is the Home for Sport for RAF Tennis and is used by RAF personnel for try outs, training and events. The property is owned by the Fund and leased to the RAF Tennis Association to provide members and their families with access to tennis facilities, coaching and competitions for all abilities.

VINE LANE

RAF Central Fund Vine Lane is used by RAF Cricket on an infrequent basis. The Fund are continuing to review how the cricket ground could be better utilised for the benefit of its beneficiaries, whilst taking into consideration the requirements of RAF Sport. Discussions continue with the Local Council to identify possible opportunities for the site. The potential financial, reputational and environmental impacts of a change of use are being considered as part of the review.

DANESFIELD

RAF Central Fund Danesfield is utilised daily by serving RAF personnel in order to take part in Robson Academy of Resilience training. Danesfield is also the Home for Sport for the RAF Rowing and RAF Canoeing Associations with regular training, club sessions and events taking place at the site. Due to the unique location of the site, the Fund is reviewing future opportunities.

TIGERS F.C
17

PROGRESS AGAINST STRATEGIC OBJECTIVES

BROADEN THE CHARITY'S UNDERSTANDING OF HOW THE CHALLENGES OF SERVICE LIFE AFFECT THE RAF COMMUNITY WITH REGARDS TO HEALTH AND FITNESS

The Fund attends biannual meetings for RAF charities hosted by the RAF's Deputy Commander of Capability to better understand the challenges and needs of the wider RAF community. Proposals were put forward from the Fund to help some of the other charities with their investment income strategies and clarity was given around the 'swim lane' that the Fund operates in so that support could be better targeted.

In addition, the Fund attends the biannual Sports Board meetings which comprise of multiple stakeholders to better understand the current needs and challenges facing RAF Sport. In 2022 discussions took place on emerging projects and updates from the Fund were given relating to current funding and support programmes.

In 2022 the Fund also attended:

36 SPORT ASSOCIATION MEETINGS/EVENTS

16 STATION ENGAGEMENT DAYS

1 RAF FAMILIES DAY (BRIZE FEST)

2 RAF AIRSHOWS

7 HEALTH & WELLBEING DAYS

DEVELOP AND DELIVER FLEXIBLE, ACCESSIBLE SUPPORT PROGRAMMES THAT REACH THOSE MOST IN NEED

The Fund principally seeks to meet its objectives through the provision of support as a grant giving charity. The Grants programme is divided into three funding streams:

RAF SPORT ASSOCIATION GRANTS

Funding of RAF Sport Associations fulfils the charitable objectives of the Fund by:

- Increasing the number of serving personnel participating in sport and physical activities.
- Increasing the provision of sport and physical activity opportunities.
- Providing an opportunity for serving RAF personnel to detach from operational demands.
- Providing an increased sense of inclusivity within the RAF serving community.

2022 marked the first year of funding in the newly developed Joint Planning Process which operates on a three-year cycle to allow greater scope for the 54 RAF Sport Associations to develop long-term strategies. The approach has also involved a closer working relationship with the Directorate of RAF Sport and the Sports Federation so that the three agencies behind the delivery of RAF Sport are better aligned. 2022 also marked the first full year of RAF Sport Association activities post pandemic restrictions.

50
RAF SPORTS ASSOCIATIONS FUNDED

£1,211,493
VALUE OF ASSOCIATION FUNDING

12%
INCREASE ON 2021

10,396*
PERSONNEL SUPPORTED

*Figure provided by the Sports Associations

ENRICHMENT GRANTS

The RAF Central Fund Enrichment Grant Programme supports personnel by traditionally awarding bids to stations and units to benefit the maximum number of personnel. The resumption of sporting activities across all stations post-pandemic brought about an increase in requests for charitable funding to support unit activities. Enrichment Grant funded projects included new equipment for station sports clubs such as archery kit for RAF Cosford and funding of capital projects, with the new boxing facility at RAF Coningsby being opened by His Royal Highness the Prince of Wales.

NUMBER OF ENRICHMENT GRANTS 43

VALUE OF ENRICHMENT GRANTS £362,464

33% INCREASE ON 2021

18 RAF STATIONS SUPPORTED

11,500 PERSONNEL SUPPORTED

30 RAF CENTRAL FUND STATION AMBASSADORS

INDIVIDUAL SPORTS GRANTS

Following on from the 2020 survey to understand the challenges that service life poses on accessing sports and physical activity, the Fund continued its review of the Individual Sports Grant programme to ensure that it remains impactful, relevant and helps to address some of the challenges raised.

A focus group met in 2022 and the results included:

- Funding levels being reduced slightly so that more personnel could be supported.
- An additional pot of funding to be made available if affordable for exceptional once in a lifetime sporting opportunities.
- Ideas being noted to encourage personnel to be more active.

A survey was additionally sent out to all individual sports grant recipients to assess the impact of the grants. In relation to the grant programme enabling physical activity, enhancing their social life, relieving stress, helping mental health, increasing confidence and assisting with a healthy lifestyle, over 94% of respondents rated it "high" or "medium".

Specialist Sports continued to be the Fund's preferred supplier for Individual Sports Grants.

All Individual Sports Grants are endorsed and those that are a recognised association sport are endorsed by an appropriate committee member from the relevant association. In 2022, there were 193 association committee endorsers representing 54 sports.

TOTAL VALUE OF FUNDING AWARDED
(INCLUDING GROUP GRANTS AND SKI CHAMPS)
£597,882

43% INCREASE ON 2021

2,393 INDIVIDUAL SPORTS GRANTS AWARDED

36% INCREASE ON 2021

911 RAF LEVEL GRANTS

VALUE OF RAF LEVEL GRANTS **£338,081**

1,481 DEVELOPMENT LEVEL GRANTS

VALUE OF DEVELOPMENT LEVEL GRANTS **£236,277**

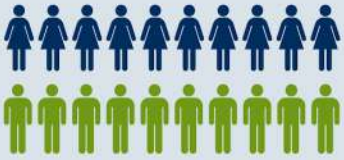
MECHANICS ENDOWMENT FUND

The Mechanics Endowment Fund (MEF) was amalgamated into the Fund in 2007, carrying the restriction that funds can only be utilised to provide benefit to RAF trainees, with an emphasis towards those trainees within the engineering disciplines where possible.

3
MEF GRANTS AWARDED

£65,043
VALUE OF MEF GRANTS

90%
INCREASE ON 2021



396
PERSONNEL SUPPORTED THROUGH MEF GRANTS

In 2022 the Fund continued to explore opportunities to collaborate with the RAF family of charities to generate mutually beneficial outcomes.

MANAGE THE CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE

In partnership with the RAF Directorate of Sport and the RAF Sports Federation, the launch of a three-year funding cycle in 2022 reduced the administrative burden on RAF Sport Associations whilst giving them greater visibility of funding and improved confidence to make longer term decisions. Furthermore, it gave the Fund an opportunity to pool resources with other funding providers resulting in more personnel being supported and, along with the launch of the Fund's RAF Station ambassador scheme, gave greater visibility to the future needs of our beneficiaries.

Partnerships are in place with sports equipment providers, clothing manufacturers, and other suppliers to help the funding pot go further in the years to come. The aim is to continue to be able to meet the needs of the Charity's beneficiaries whilst operating a balanced budget. Supplier reviews have also taken place to improve services to the Fund and its beneficiaries and to reduce costs where possible.

The Fund has continued to increase flexibility and productivity through hybrid working and cloud computing, ceasing the need for its office lease requirements entirely, with the resultant savings further helping to improve the efficiency of the charity. Training, appraisals and staff surveys took place to help ensure that staff feel supported and know that they are appreciated and valued, resulting in a dedicated and effective workforce.

The Ethnicity, Diversity and Inclusion plan has recently been updated and published on the website and is designed to promote fair opportunity for all and to ensure that the Fund benefits from as diverse a range of experience as possible.

2022 witnessed the continuation of improvements of operational policies and processes as well as financial and charitable governance of the Fund. Attendance by team members at the annual Gambling Commission and Lottery Council events and various webinars and seminars, allowed for existing policies and processes to be reviewed and, where appropriate, updated. The year also saw the review of the Charity's current Environmental, Social and Governance (ESG) impact, with four Sustainable Development Goals identified to focus the Fund's future sustainability efforts as part of its target to achieve net zero by 2040. The Charity is committed to reducing its environmental impact, those within its direct control, as well as those indirectly arising from work with its beneficiaries, partners and suppliers.

GROW AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF THE CHARITY'S BENEFICIARIES

THE RAF SPORTS LOTTERY

The RAF Sports Lottery, operating as a weekly Society Lottery, continues to be the number one source of income for the Fund. In 2022, there was a small increase in total players from 17,355 to 17,433 and overall gross Lottery income for the year was £2.9 million, which exceeded its budget.

The Lottery awards prizes totalling £18,000 each week and there were over 1040 winners in 2022. The cost of awarding these prizes, together with External Lottery Manager Fees and overhead costs totalled £1,201,137 (2021: £1,221,237) for the twelve months of play. The Lottery generated a net surplus during 2022 which was utilised in-year within the individual Sports Grant programme.

INVESTMENTS

The investment strategy seeks to protect in real terms the value of the investment portfolio at a level that will be able to deliver the desired income stream to finance expected annual expenditure.

In 2022, the strategy that was set out in 2021 enabled the charity to mitigate market volatility. The unrestricted investment income received in 2022 was £735,906 (2021: £740,715).

FUNDRAISING

To supplement the income generated by the RAF Sports Lottery, the Fund embarked on a three-year fundraising strategy to explore the level of additional income from more traditional fundraising initiatives. 2022 marked the final year of the current strategy and saw a small increase in total funds raised of £11,500 when compared with 2021.

- £191,000 Total Funds Raised
- £4,300 Donated by Specialist Sport
- £180,000 Legacy Donation

Working with partner suppliers of sports equipment and clothing also continued in 2022, with the Fund's preferred supplier Specialist Sports continuing to make donations to the Fund. Specialist Sports also provide a mechanism for the Fund to reconcile grants which in turn helps improve our charity's financial governance.

SIGNIFICANTLY INCREASE AWARENESS

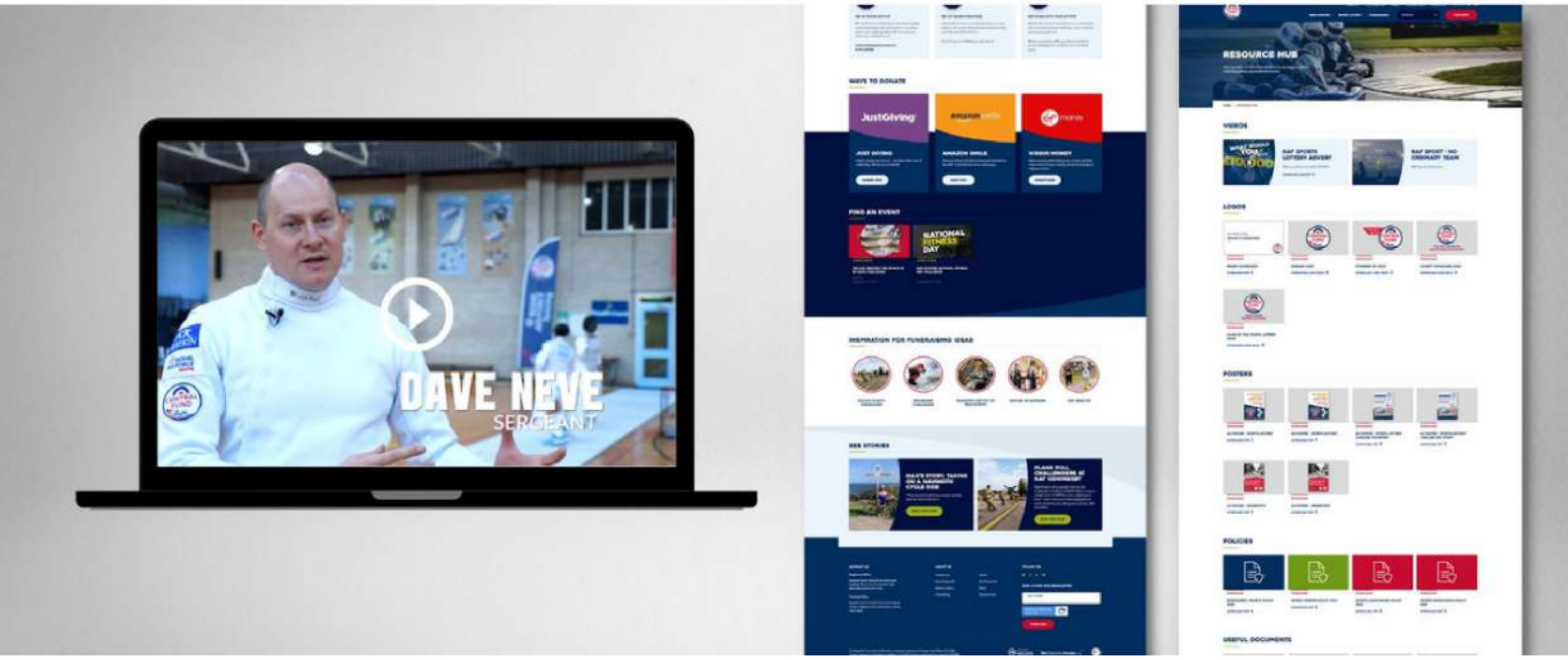
In 2022, the Fund's Marketing Department continued its work to promote the Charity through awareness raising of its funding programmes and promotion of the Sports Lottery so that more serving RAF personnel could benefit from the charitable income generated.

VIDEO

2022 saw the completion of a 5-minute film about the Fund that has proved to be a valuable communication tool and includes first-hand testimonials from beneficiaries. The video is hosted on YouTube and the RAFCF website where it can be downloaded and utilised for presentation opportunities or shown on station information screens.

WEBSITE

Data from the new charity website (delivered in Q3 2021) has demonstrated that by improving the user journey, overall traffic across the site has increased significantly. Page views are up by 17.5% with the most viewed pages being the RAF Sports Lottery page followed by Sports Grants. Traffic has also increased on the News page thanks to regular content production signposted through social media.



NEWSLETTER

Having spent considerable time overcoming issues to ensure emails distributed by a mass mailing system landed in MOD inboxes, the first of now monthly e-newsletters was issued in October 2022. Going out to a distribution list of circa 16,500, this regular communication enables engagement with beneficiaries and supporters and directly delivers on the Fund's objective to increase awareness of its work.

ADVERTISING

Half-page Sports Lottery adverts are run every two weeks in RAF News including adverts designed to grab the attention of former serving and reservists. A resumption in the production of RAF Active Magazine and a partnership between the publication and the Charity provided guest editorial opportunities and further Sports Lottery registrations through full-page adverts. Social media advertising was trialled towards the end of 2022 with more planned in 2023.

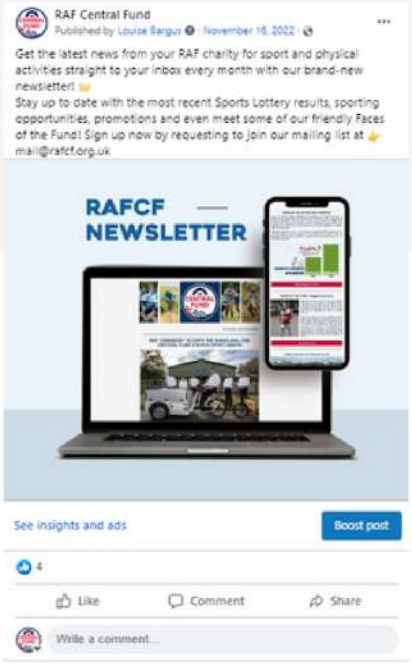
LOTTERY PRESENTATIONS

Regular briefs were delivered to new recruits about the Fund and the RAF Sports Lottery with presentations delivered at the Recruit Training Squadron (RTS) at RAF Halton and Initial Officer Training (IOT) at RAF Cranwell. Lottery registration was down slightly from 2021 across both groups which is believed to be a result of changes to the training programmes, with the average sign-up rate of RTS recruits falling from 75% to around 50%.

SOCIAL MEDIA

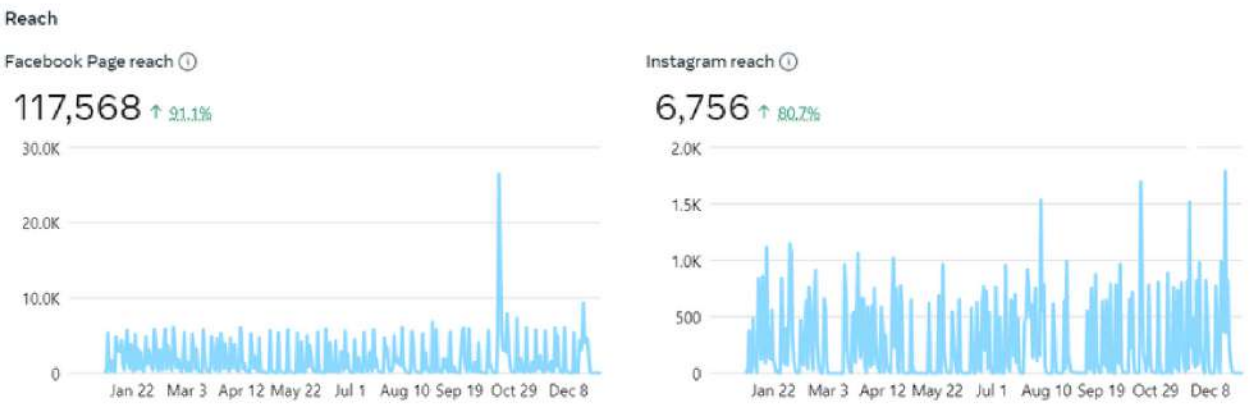
The Central Fund's social media presence continued to grow with the Charity's main Facebook channel seeing an 80.5% increase in reach and page visits up by 12% in 2022. Instagram also saw an increase in reach and page visits. Heightened activity on both channels was seen as a result of posts about the RAF Sport Awards.

Posts about the RAF Sport Awards saw our highest engagement levels of 2022.



Monthly newsletter launch promotion.

Faces of the Fund - stories from our beneficiaries highlighting our charity support.



EVENTS

The Fund continues to have a presence at Station Health & Wellbeing days, but footfall remains low at these events possibly due to more hybrid working post pandemic. A stand was trialled for the first time at Brize Fest with a view to doing more Family Day events if successful. Whilst engagement was high, Sports Lottery sign up was low and future events will be assessed on a case-by-case basis. 2022 also saw a return to RAF air shows and an RAFCF stand was pitched at both Cosford Air Show and RIAT.

RAF SPORT AWARDS

The RAF Sport Awards are an annual celebration of sporting achievements across the Service including individuals, teams, officials and administrators. Making its debut this year was the RAF Central Fund Station Sport Award, designed to recognise the best Station initiative to encourage and enable serving personnel to get physically active. The inaugural award went to RAF Coningsby, recognising their 'Coningsby Connected' initiative - a multidisciplinary and flexible approach to physical and wellbeing provision.

ROYAL
AIR FORCE

PLANS FOR FUTURE PERIODS

The core vision of the Fund, to support and enrich the lives of those serving in the RAF today and on an enduring basis, continues to underpin the charity's strategic and operational direction. As the Board of Trustees continue to refine and prioritise the direction of the Fund, its central mission and vision remains; to enable all serving RAF personnel to access sporting opportunities and physical activities with the aim of developing their full potential.

Within this wide-reaching objective, the following aims have been defined as the next steps of the Fund's strategy and fundamental for the period ending 2023:

- **PARTNER WITH OTHER CHARITIES TO IMPROVE THE FUND'S REACH AND CLOSE FUNDING GAPS THROUGH JOINT VENTURES**

2023 will see the coming together of the two charities that support the delivery of RAF sport with the RAF Sports Federation merging into the RAF Central Fund resulting in a simplification of processes for the RAF Sport Associations. Upon the successful completion of this piece of work, the Fund will look to start the phased amalgamation of the RAF Sports Association charities into the RAF Central Fund. This will result in a reduction in the administrative burden on beneficiaries, it will reduce charitable liabilities for association Trustees, and allow for better procurement and sponsorship opportunities to be enjoyed by serving personnel.

- **MANAGE THE CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE**

The delivery of the Fund's sustainability plan will begin to help ensure that not only will the charity be around for at least another 100 years but that its work does not impact on the environment during that time.

The Fund will continue to deliver and report on its work of representing the people we support by delivering on the charity's EDI action plan. This will ensure that the best people are recruited so the charity can be as effective as possible.

- **GROW AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF BENEFICIARIES**

The charity will work with the RAF to deliver a CRM that will allow a greater understanding of who does (and therefore who does not) participate in sport in the RAF. This data will inform our approach to sponsors and future grant funding will set the conditions for exploring the value of a formal sports membership model. Whilst fundraising, investments and the Sports Lottery will continue to be the primary income generation tools for the Fund, a new focus will be initiated towards sponsorship opportunities.

- **INCREASE AWARENESS AND PARTICIPATION OF THE SPORTS LOTTERY**

The Lottery activities for 2023 will continue to deliver on the strategy of reaching new players with a focus on former-serving who left the RAF prior to it being run by an external society lottery provider and who were automatically cancelled upon departure.

• WORK TOWARDS BECOMING A NET ZERO ORGANISATION

In 2022, the Fund partnered with Pilio to help it set the conditions for becoming a net zero organisation. The RAF Central Fund, both as an organisation and as a charity supporting those on the frontlines of responding to this crisis, wants to do its part to support the transition to a sustainable future. The Fund identified the following four United Nations Sustainable Goals as those which it would be placing its focus on:

1. Good Health and Wellbeing.
2. Gender Equality.
3. Responsible Consumption and Production.
4. Climate Action.

As part of the process of creating an action plan to support climate responsible sport for RAF personnel, the following sustainability objectives were set:

- Measure and report our annual carbon footprint.
- Set a net zero target and roadmap.
- Decarbonise our properties, facilities, and events.
- Develop an understanding of the environmental impacts of the sports we fund and opportunities for improvement.
- Support and encourage our grant recipients on climate and environmental campaigns.
- Work with our existing partners and suppliers to understand their environmental credentials and identify ways to reduce impacts.
- Communicate and engage with our grant recipients and partners on the sustainability actions we are taking and that we can take collectively.

The team calculated the Funds current carbon footprint and, in order to reduce this, will be using the action plan and objectives to inform decisions relating to all future plans.

LEGAL STATUS AND ORGANISATION

CONSTITUTION

The Fund is a registered charitable company limited by guarantee, a company registered in England and Wales 8555984, a charity registered in England and Wales 1152560 and a charity registered in Scotland SC044299.

The Fund has one wholly owned subsidiary, RAF Central Fund Trading Ltd, which became active in 2018, details of which can be found at the back of this report.

GOVERNANCE

The Fund is governed by its Board of Trustees as established within its Memorandum and Articles of Association dated 4 June 2013 (as adopted by a special resolution passed as a written resolution on 29 March 2019). The Articles determine that the Board must consist of a minimum of three Trustees with a condition that a Serving Trustee cannot be appointed to the Board unless the number of non-Serving Trustees is at least equal to the number of Serving Trustees subsequent to the appointment.

Trustees are appointed by election at a Board General Meeting for a three-year term and can serve no more than three consecutive terms. A quorum of Trustees is required for the transaction of business which consists of at least two Non-Serving Trustees and two Serving Trustees unless there is only one Non-Serving Trustee appointed, whereby a quorum is one non-Serving and one Serving Trustee.

Trustees have established a clear policy and procedures for dealing with conflicts and the authorisation thereof, in accordance with Charity Commission guidelines.

TRUSTEE INDUCTION AND TRAINING

All new trustees receive a personalised induction programme. The programme is designed to cover the key strategic aims of the Charity, its operational framework, finances, and future plans. The induction additionally provides details of the Charity's regulatory and statutory reporting requirements, including those of the Charity Commission, OSCR and Companies House.

The Trustees are invited to an annual 'Away-Day' during which they review any significant updates of regulatory or governance importance. Trustees are encouraged to visit all Fund properties within twelve months of appointment and are invited to attend a Grants Committee and Finance and Risk Committee meeting within the first year of appointment.

Trustees are additionally invited to attend internal and suitable external Trustee training courses to ensure an appropriate and on-going understanding is maintained within the Board with regards to significant issues such as: governance; the role and responsibilities of the Trustees; understanding charity finance and investments; identifying and managing risks and strategic planning.

ROYAL AIR FORCE

MANAGEMENT AND COMMITTEES

The Board of Trustees is responsible for setting the strategic direction of the Fund whilst the day-to-day management of the Fund is the responsibility of the Chief Executive Officer.

The Chief Executive Officer has delegated authority to determine operating policies, manage operational planning, budgets, property and staffing resources to support the strategic and policy framework of the Board and is responsible for the effective and efficient management of the Fund.

Trustees delegate authority to the Chief Executive Officer and the Chief Operating Officer to authorise budgeted expenditure to a limit of £50,000 and to approve items of un-budgeted expenditure subject to an individual item maximum of £50,000 where this does not represent more than a 10% variance from approved financial forecasts. Details of significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

The Trustees of the Fund have constituted four Committees: the Finance and Risk Committee; the Grants Committee; the Investment Committee and the Remuneration Committee in accordance with paragraph 11 of the Fund's Articles of Association. The Fund's Trustees set clear terms of reference for the Committees and receive regular reports on their activities.

THE FINANCE AND RISK COMMITTEE

The Trustees delegate the oversight of the Fund's finance and risk governance and policies to the Finance and Risk Committee and to ensure these are aligned with the Fund's charitable and strategic objectives. The Committee is required to meet at least biannually and met three times during 2022 to implement the Fund's financial strategy.

The Trustees delegate authority to the Committee to approve budgeted expenditure in excess of £50,000 and major single items of unbudgeted expenditure to a maximum of £50,000, subject to an annual limit of £200,000. Details of all significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

THE GRANTS COMMITTEE

The Trustees delegate the disbursement of grants to the Grants Committee. The Grants Committee is required to meet at least biannually and met virtually to consider awards on three occasions during 2022.

The Fund Trustees have delegated authority to award single grants up to £50,000 within the limits of their annual budget to the Committee. Details of Committee-considered grants are presented to the Trustees at every Trustee meeting.

Where possible, a station contribution is made by capital project applicants and all requests for funding must be supported by an application which includes details of project delivery, maintenance costs and a realistic business case where applicable.

The Fund seeks to work closely with other Service charities such as the Nuffield Trust, the RAF Benevolent Fund, the RAF Charitable Trust and the Royal Air Forces Association to provide maximised benefit to the serving RAF community. For projects that benefit personnel across multiple services, the Fund works closely with the Army and Navy charities to ensure inclusivity across Defence.

THE REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the remuneration of the Fund's senior management and employees.

Meeting annually, the Remuneration Committee provides recommendations to the Board of Trustees with regards to all employee remunerations, including key management personnel, based on an annual review of sector benchmarks. The Committee remain cognisant of the Fund's intent to attract and retain talented and committed employees who can help the Fund realise its objectives to maximise support to RAF personnel both now and into the future. To achieve this, the Remuneration Committee seeks to ensure salaries reflect the appropriate market rate of pay for a comparable job in the relevant job market and are subject to regular review to ensure employee rewards remain appropriate.

THE INVESTMENT COMMITTEE

The Investment Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the Funds' investments. The Committee is required to meet biannually and met five times during 2022 to continue the implementation of the Fund's Investment strategy.

The Committee is established to oversee the Fund's investment governance, including philosophy, risk appetite and policies, and ensure these are aligned with the Fund's charitable and strategic objectives. The Trustees authorise the Committee to monitor the Fund's investments against the Fund's investment philosophy, risk appetite and policies.

2023

RISK MANAGEMENT

The Trustees review the major risks facing the Fund within the annual business planning process and to identify significant risks to the Fund, implementing procedures to both mitigate risk and to minimise potential impact should they materialise. In addition to pre-existing ones, in 2022 the Trustees identified the following new risk:

- Merging with Sports Federation places additional risks on the Fund

The merger risk is being mitigated by a separate risk register which currently contains 18 identified risks each with specific mitigating actions.

INFLATION

The 2023 budget was set in late Q3 2022 in line with predicted increased Consumer Price Index of 10%. Since then, this level has slightly further increased but within acceptable levels. The Trustees have added excessive inflation to the risk register and, with the Executive, set in place a series of measures to mitigate this risk.

2023
GENESIS
PIRELLI
Fiesta R2
genesis

REVIEW

LONG TERM INCOME PROTECTION

The investment strategy provides long term income protection and preserves in real terms the principal value of the investment portfolio to meet expected annual expenditure.

When changes to the market occur, the strategy is reviewed to ensure the funds invested continue to meet forecast yields and estimated income needs.

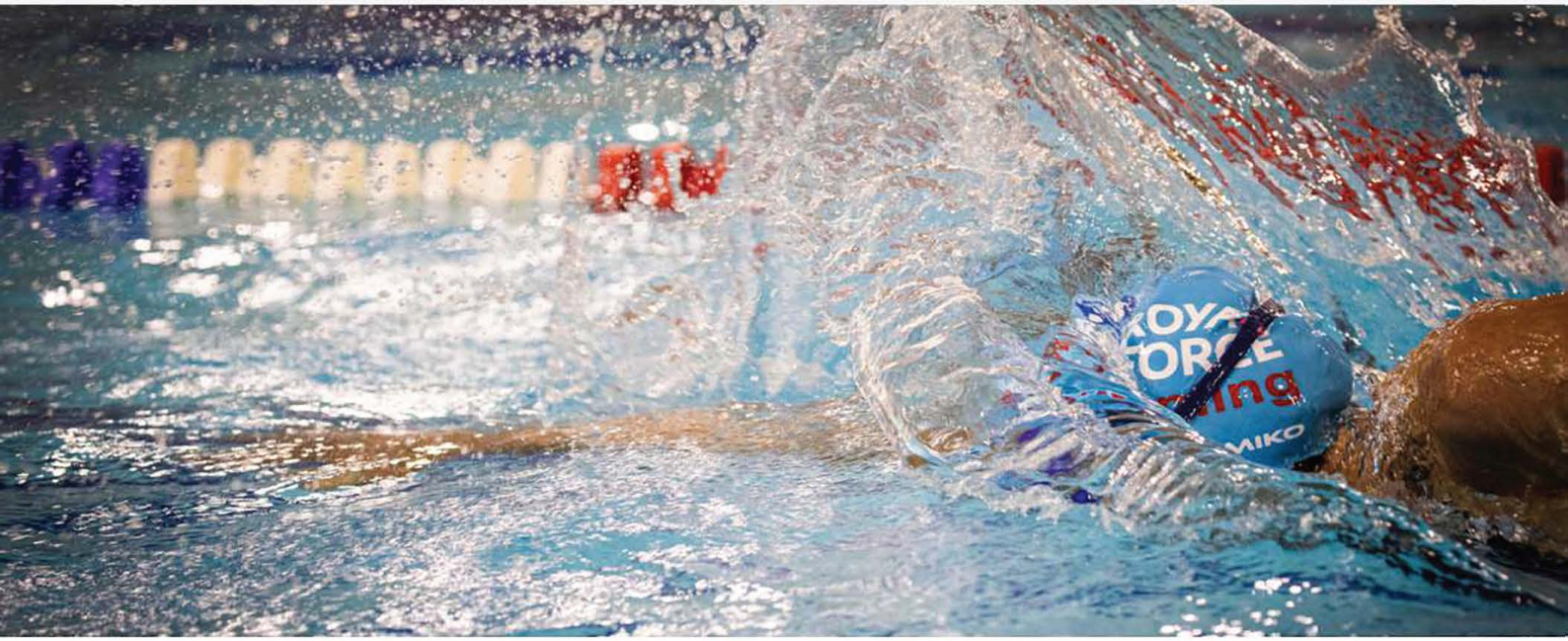
DIRECT COSTS

Direct costs have routinely been met from unrestricted investment income generated in the year of application. Trustees have therefore been content to maintain zero unrestricted reserves. The balance of the expendable endowed fund at year-end was £46,048,510 (2021: £47,605,346), of which £42,533,342 (2021: £44,559,177) represented invested funds.

The Fund has the following restricted fund:

- **Mechanics Endowment Fund**

Funds whereby expenditure is restricted for the benefit of RAF trainees, especially those in the engineering disciplines.



FINANCIAL RESERVES

The application of the long-term income protection policy has historically allowed the Fund to maintain the expendable endowment fund at a level whereby the Trustees have been able to apply a policy of meeting direct expenditure through application of the investment income generated.

To generate income to support the enrichment grants programme and Fund administrative, governance and support costs and being cognisant of specialist advice regarding investment income returns, the Board deem it appropriate and necessary to maintain invested reserves at a level of approximately £45 million within total reserves of approximately £46 million.

At the year-end the Fund held total reserves of £46,525,631 including invested reserves of £43,010,563. The Trustees are content that the closing 2022 reserves balance of £46,525,631 is appropriate, given the current volatility in the investment markets and economic climate.

The reserves policy is subject to annual review. The balance sheet confirms that the Fund has adequate working capital to meet any obligations as they fall due.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the Trustees (who are also directors of the Royal Air Force Central Fund for the purposes of company law) to prepare financial statements that give a true and fair view of the situation of the charitable company at the end of the financial year and of its deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make sound judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and Statements of Recommended Practice 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 will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006.

The Trustees are also responsible for the safeguarding of the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Company law, the Fund's Trustees certify:

- There is no relevant audit information of which the Fund's auditors are unaware.
- The Trustees of the Fund have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of the information.

RAF Central Fund complies with the Fundraising Standards Board Requirements and only utilising agencies that are compliant with the Fundraising Regulations. We aim to meet the highest standards so that supporters and volunteers give and fundraise for the Fund with confidence. No complaints have been received in respect of fundraising during 2022.

AUDITORS

Mazars LLP acted as the Fund auditors during the year.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The Trustees' and Strategic Report for the year ended 31 December 2022 was approved by the Trustees in their capacity as the Company Directors and signed on behalf of the Trustees:

Group Captain M Williams
Trustee and Member of the Finance and Risk Committee

Dated: 18 July 2023

2021

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

Opinion

We have audited the financial statements of Royal Air Force Central Fund ('the parent charity') and its subsidiary ('the group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2022 and of the group's 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

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

- adequate and proper 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 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 set out on pages 46 – 47, the trustees (who are also the directors of the parent charity 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's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the charity and its sector, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Charities Act 2011, tax legislation, safeguarding, pensions legislation, employment regulation, health and safety regulation, anti-bribery, corruption and fraud and anti-money laundering regulation.

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

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

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

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

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

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

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

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

Use of the audit report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

N J Wakefield

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 26 September 2023

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 December 2022

	Note	Unrestricted Fund £	Expendable Endowment Fund £	Restricted Fund £	Total 2022 £	Total 2021 £
Income	2					
Donations		370,952	-	-	**370,952**	179,506
Charitable Activities		264,374	-	-	**264,374**	98,894
Trading Activities		3,067,206	-	-	**3,067,206**	3,118,944
Investment Income		735,906	-	1,444	**737,350**	741,234
Other Income		2,440	-	-	**2,440**	28,312
Total Income		**4,440,878**	-	**1,444**	**4,442,322**	4,166,890
Expenditure	3					
Charitable Activities		2,918,060	-	65,043	**2,983,103**	3,048,678
Raising Funds						
Sports Lottery Operations & Fundraising Trading		1,199,957	-	-	**1,199,957**	1,227,638
Trading Activities		124,904	-	-	**124,904**	59,162
Investment Management Costs		-	341,566	-	**341,566**	293,427
Total Expenditure		**4,242,921**	**341,566**	**65,043**	**4,649,530**	4,628,905
Net loss on investments	10	-	-1,413,227	-	**-1,413,227**	3,838,484
Net Income/(Expenditure)		**197,957**	**-1,754,793**	**-63,599**	**-1,620,435**	3,376,469
Transfers between Funds		-197,957	197,957	-	**-**	-
Net Movement in Funds		**-**	**-1,556,836**	**-63,599**	**-1,620,435**	**3,376,469**
Total Funds Bought Forward		-	47,605,346	540,720	**48,146,066**	44,769,597
Total Funds Carried Forward		-	46,048,510	477,121	**46,525,631**	48,146,066

There were no recognised gains or losses in either year other than those included in the Statement of Financial Activities.

All income and expenditure is derived from continuing activities in both years.

The notes on pages 54 to 68 form part of these financial statements.

Consolidated and Charity Balance Sheets as at 31 December 2022

	Note	Group Total 2022 £	Group Total 2021 £	Charity Total 2022	Charity Total 2021
Fixed Assets:					
Intangible Assets	8	**9,253**	21,506	**9,253**	21,506
Tangible Assets	9	**1,659,427**	1,733,337	**1,659,427**	1,733,337
Heritage Assets	9	**47,016**	47,016	**47,016**	47,016
Investments	10	**43,010,563**	45,125,897	**43,010,563**	45,125,897
Total Fixed Assets		**44,726,259**	46,927,756	**44,726,259**	46,927,846
Current Assets:					
Debtors	11	**549,680**	512,125	**493,152**	432,290
Cash at Bank and in Hand		**2,676,184**	2,256,047	**2,643,847**	2,056,462
Investments	10	**-**	-	**-**	-
Total Current Assets		**3,225,864**	2,768,172	**3,136,999**	2,488,752
Creditors: Amounts Falling due Within One Year	12	1,426,492	1,549,862	1,353,281	1,455,695
Net Current Assets		**1,799,372**	1,218,310	**1,783,718**	1,033,057
Total Assets less Current Liabilities		**46,048,510**	48,146,066	**46,509,977**	47,960,813
Net Assets		**46,048,510**	48,146,066	**46,509,977**	47,960,813
Reserves	13				
Expendable Endowment Funds		46,048,510	47,605,346	46,032,856	47,420,093
Restricted Funds		477,121	540,720	477,121	540,720
Total Funds		**46,525,631**	48,146,066	**46,509,977**	47,960,813

The Financial Statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The notes on pages 54 - 69 form part of these Financial Statements. The Financial Statements on pages 51 - 69 were approved by the Board of Trustees on 18th July 2023 and were signed on their behalf by:

Group Captain M Williams
Trustee and Chair of the Finance and Risk Committee

Consolidated Statement of Cash Flows for the year ended 31 December 2022

	2022 £	2021 £
Cash flow from Operating Activities		
Net cash used in operating activities	-673,866	-456,181
Cash flows from Investing Activities:		
Dividend Receipts	735,906	741,234
Investment management costs	-113,195	-293,427
Fixed assset Additions	-3,887	-29,135
Intangible fixed asset additions	-	-18,505
Proceeds from Sale of Investments	7,678,182	39,989,015
Payment for Purchase of Investments	-7,203,003	-39,284,749
Net cash provided by investing activities	1,094,003	1,104,433
Change in Cash & Cash Equivalents	420,137	648,252
Cash & Cash Equivalents at 1 January	2,256,047	1,607,795
Cash & Cash Equivalents as at 31 December	**2,676,184**	**2,256,047**

Notes to the Cash Flow Statement

Reconciliation of net (Expenditure)/Income to net cash flow from operating activities	**2022** **£**	**2021** **£**
Net (Expenditure)/Income for the period	-1,620,435	3,376,469
Adjustment for:		
Loss/(Gains) on Investments	1,413,227	-3,838,484
Investment Income	-737,350	-741,234
Investment Management Fees	341,566	293,427
Depreciation/Amortisation	90,050	128,896
(Increase)/ Decrease in Debtors	-37,555	512,855
(Decrease) in Other Creditors	-123,369	-188,110
Net Cash used in operating activities	**-673,866**	**-456,181**

Analysis of Cash & Cash Equivalents

	31 December 2021 **£**	**Cash flow** **£**	**31 December 2022** **£**
Cash in hand	2,256,047	420,137	2,676,184
Total Cash & Cash Equivalents	**2,256,047**	**420,137**	**2,676,184**

Notes to the Financial Statements for the Year to 31 December 2022

Principal Accounting Policies 2022

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom, the Accounting Regulations issued under the Charities Act 2011, the Statement of Recommended Practice: “Accounting and Reporting by Charities (FRS102)" and the Companies Act 2006. A summary of the significant accounting policies is set out below.

The RAF Central Fund meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Trustees consider it appropriate for these accounts to be prepared on the going concern basis.

The trustees have reviewed detailed cash flow projections to 30 June 2024 and have agreed detailed budgets for the year ended 31 December 2023. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the Fund is to support current RAF personnel through individual grants and grants to the sports associations, the level of this necessary expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Historical Cost Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market values and are in accordance with the Statement of Recommended Practice. “Accounting and Reporting by Charities (FRS102)”, applicable Accounting Standards and the Charities Act 2011.

Consolidation

The wholly owned trading subsidiary of the Royal Air Force Central Fund, the Royal Air Force Central Fund Trading Ltd (company number: 08747522) became non-dormant in 2018. On this basis, the financial statements are consolidated.

Income

Investment income is accounted for when received and comprises dividend income and interest on cash deposits.

Endowed grants are funds returned to the charity following the rare occurrence of a closure of an RAF unit and are recognised as soon as receipt is probable and the value of the returned grant monies can be reliably measured.

Other income is recognised on an accruals basis in accordance with the income recognition requirements of FRS102.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the charity to make payment. All costs have been directly attributed to the functional categories of expenditure in the Statement of Financial Activities.

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Costs of raising funds includes investment manager's fees, the costs of running the RAF Sports Lottery, including prizes and the costs incurred in marketing the Sports Lottery.

Expenditure (continued)

Charitable activities consists of grant awards and associated direct and indirectly allocated support costs. Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient.

Support costs consist of salary and other expenditure incurred to facilitate the administration and governance of the charity. Support costs are directly attributed to activities where it is possible to allocate to the activity on a basis of use of resource. Where it is not possible to directly attribute support costs, these are apportioned by the estimated percentage of time utilised by employees on each activity.

Taxation Status

The charity is exempt from corporation or income taxation based on the charity applying all of its income and gains for wholly charitable purposes.

Intangible Fixed Assets

Intangible Fixed assets are measured at cost less accumulated amortisation.

Software development costs are recoginsed as an intangible asset when all of the following criteria are demonstrated:

• How the software will generate probable future economic benefits;
• The availability of adequate resources to complete the development and use the software;
• The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The intangible assets are amortised over the following useful economic lives:

- Software development costs 2 years;
- Intangible assets are not subject to amortisation in the year of recognition, with a full year charged each period thereafter.

Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Due to the unique nature of the charity's properties, they are held at carrying value as there is no available market value or methodology to reliably measure their fair values. The Trustees consider that the realisable value of the property is well in excess of its carrying value and accordingly any depreciation charge is immaterial.

It is the Fund's policy to capitalise all assets with a combined purchase value in excess of £5,000.

Depreciation is calculated on a straight line basis across the expected useful life of the asset class:

Website and Application Development	2 years
Computers and Information Technology	3 years
Fixtures & Fittings	10 years
Buildings	30 years

Depreciation is not charged in the year of acquisition, with a full year charged in the year of disposal.

The charity owns a number of items of heritage silverware, including the Fincastle Trophy and Gill Sword which are loaned to RAF Messes, units and individuals to promote and support esprit de corps. These items hold significant cultural importance to the Royal Air Force and are capitalised in the accounts in line with their insurance valuation and are not depreciated due to the enduring life scale. The Fund additionally owns two paintings which hang in the Ministry of Defence building in London.

Investments and Gains and Losses on Investments Assets

Quoted investments and investment property are stated at market value at the balance sheet date.

Gains and losses arising on investment assets, both through sale and changes in valuation, are taken to the Statement of Financial Activities in the year they occur. Gains include cash rebates received by the charity for retail investment management fees arising from holding in-house funds; the charity pays institutional investment management fees based on the capital value of the charity's investment portfolio.

Funds Structure

The expendable endowment fund represents the original capital of the charity. This is maintained wherever possible. Income from the endowment fund is unrestricted.

The restricted fund represents the Mechanics Fund. These funds may only be used for the benefit of trainees, especially those in the engineering disciplines.

Pensions

The Fund operates a defined contribution workplace pension scheme for the benefit of all eligible employees.
The assets of the scheme are administered by an independent pension provider, with employer pension payments recognised as an expense during the year of payment.

Since 2014 the charity makes contributions towards the costs of pensions being paid to previous past employees of a by analogy Principal Civil Service Pension Scheme (PCSPS). Entry to the scheme is closed to new employees of the charity.

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

Note 1 Statement of Financial Activities Analysis for the year-ended 31 December 2021

	Unrestricted Fund	Designated Fund	Expendable Endowment Fund	Restricted Fund	Total 2021
	£	£	£	£	£
Income					
Donations	134,506	45,000	-	-	**179,506**
Charitable Activities	2,119	96,775	-	-	**98,894**
Trading Activities	239,123	2,879,821	-	-	**3,118,944**
Investment Income	740,715	506	-	13	**741,234**
Other Income	28,312	-	-	-	**28,312**
Total Income	**1,144,775**	**3,022,102**	**-**	**13**	**4,166,890**
Expenditure					
Charitable Activities	1,332,311	1,682,091	-	34,276	**3,048,678**
Raising Funds					
Sports Lottery Operations & Fundraising Trading	6,401	1,221,237	-	-	**1,227,638**
Trading Activity	59,162	-	-	-	**59,162**
Investment Management Costs	-	-	293,427	-	**293,427**
Total Expenditure	**1,397,874**	**2,903,328**	**293,427**	**34,276**	**4,628,905**
Net gains on investments	-	-	3,838,484	-	**3,838,484**
Net (Expenditure)/Income	**-253,099**	**118,774**	**3,545,057**	**-34,263**	**3,376,469**
Transfers between Funds	253,099	-353,424	100,325	-	**-**
Net Movement in Funds **Total**	-	**-234,650**	**3,645,382**	**-34,263**	**3,376,469**
Funds Bought Forward Total	-	3,819,692	40,374,922	574,983	**44,769,597**
Funds Carried Forward	-	3,585,042	44,020,304	540,720	**48,146,066**

Note 2 Income

	Analysis	2022 £	2021 £
Donations	Donations	**370,952**	179,506
	Government Grant	**-**	**-**
	Total	**370,952**	179,506
Charitable Activities	Returned Grants	**264,374**	98,894
	Hire of Fund Welfare Facilities	**-**	**-**
	Total	**264,374**	98,894
Trading Activities	Lottery Ticket Sales	**2,896,177**	2,879,821
	Other Trading Income	**171,029**	239,123
	Total	**3,067,206**	3,118,944
Investment Income	Dividends on Investments	**737,350**	741,234
	Investment Dividend Tax Reclaims	**-**	**-**
	Total	**737,350**	741,234
Other Income	Miscellaneous Receipts	**2,440**	28,312
	Creditor Write-off	**-**	**-**
	Total	**2,440**	28,312

All Amounts relate to unrestricted income with the exception of £1,444 (2021: £13) of investment income which is allocated to restricted funds.

Note 3 Expenditure

	Analysis	2022 £	2021 £
Raising Funds	RAF Sports Lottery Operations	**1,201,137**	1,221,237
	Fundraising Activity	**-1,180**	6,401
	Investment Management Fees	**341,566**	293,427
	Trading Company Activity	**124,904**	59,162
	Total	**1,666,427**	1,580,227
Charitable Activities*	Enrichment Facilities and Projects	**143,125**	248,876
	Sports Association Grants	**1,397,609**	1,207,114
	Development Through Sports Grants	**897,871**	474,977
	Sports Facilities	**541,372**	429,205
	Grants to Service Support Charities	**3,126**	688,506
	Total	**2,983,103**	3,048,678

* See Note 4 for analysis of support costs

Note 4 Support Costs

	Raising Funds £	Charitable Activity £	**Total Cost 2022 £**	Total Cost 2021 £
Staff Costs	95,715	390,041	**485,756**	469,978
Other Costs	36,857	247,233	**284,090**	236,206
Total	132,572	637,274	**769,846**	706,184

The support cost elements of staff and other expenses have been attributed on a basis consistent with the use of resources.
Where costs cannot be allocated directly to activities, they are apportioned by the estimated percentage of time spent by each employee on each activity.

Support costs are included in the overall expenditure totals for each activity at Note 3.

Note 5 Audit Fees

	2022 £	2021 £
Auditors' Fees for Reporting on the Accounts - Charity	**15,840**	14,400
Auditors' Fees for Reporting on the Accounts - Trading Subsidiary	**2,500**	1,800
Other fees payable to auditors	**4,173**	6,110
Total	**22,513**	**22,310**

Note 6 Trustees & Employees

6.1 Staff Costs

	2022 £	2021 £
Wages and Salaries	**434,015**	422,411
Employer’s National Insurance Costs	**43,059**	39,402
Employer's Pension Costs	**8,681**	8,165
Total Staff Costs	**485,756**	469,978

Note 6.1 (continued)

1 employee earned between £70,001 and £80,000 during the period (2021: 1, 60,001 and £70,000).
1 employee earned between £110,001 and £120,000 during the period (2021: 1, 100,001 and 110,000).

The Fund made payment to its key management personnel of £181,153 during 2022 (2021: £177,244).

6.2 Average Headcount

	2022 Average	2021 Average
Full-Time	**8.00**	9.60
Part-Time	**4.00**	2.30
Total	**12.00**	11.90

6.3 Payments to Trustees

Trustees neither received nor waived any emoluments during 2022 (2021: £nil). Out of pocket expenses were reimbursed to Trustees amounting to £120.70 (2021: £Nil).

Note 7 Grants

	Grants 2022 £	**Support Costs 2022 £**	**Total Grants 2022 £**	**Total Grants 2021 £**
Enrichment Facilities and Projects	19,521	123,604	**143,125**	**248,876**
Sports Association Grants	1,223,003	174,606	**1,397,609**	**1,207,114**
Development Through Sports Grants	759,740	158,130	**897,870**	**474,977**
Sports Facilities	343,565	197,807	**541,372**	**429,205**
Grants to Service Support Charities	-	3,127	**3,127**	**688,506**
Total	**2,345,829**	**637,274**	**2,983,103**	**3,048,678**

Note 7 Grants (continued)

Grants made to Institutions

Grants Institutions with a value in excess of £25,000 are shown individually:

	Grant Award 2022 £	Grant Award 2021 £
RAF Akrotiri	**-**	53,000
RAF Benson	**-**	39,586
RAF Boulmer	**-**	54,027
RAF Brize Norton	**-**	64,935
RAF Coningsby	**35,268**	38,480
RAF Cosford	**67,943**	55,785
RAF Cranwell	**50,000**	29,316
RAF Halton	**-**	54,399
RAF High Wycombe	**-**	33,996
RAF Honington	**-**	38,300
Deployed Forces	**29,415**	91,873
RAF Leeming	**24,660**	33,500
RAF Lossiemouth	**35,000**	38,600
RAF Marham	**-**	30,258
RAF Odiham	**-**	69,500
RAF Valley	**-**	32,650
RAF Waddington	**30,316**	38,800
RAF Wittering	**-**	29,000
RAF Angling Association	**48,485**	51,341
RAF Bobsleigh, Luge and Skeleton Association	**105,911**	106,960
RAF Equitation	**29,235**	33,880
RAF Football Association	**37,181**	32,555
RAF Gliding & Soaring Association	**36,857**	36,857
RAF Golf Association	**34,599**	34,599
RAF Microlight Flying Sports Association	**59,250**	25,850
RAF Motor Sports Association	**103,448**	92,241
RAF Nordic Association	**25,747**	**-**
RAF Rowing Association	**26,764**	**-**
RAF Rugby Union Association	**-**	10,200
RAF Sailing Association	**57,089**	89,875
RAF Small Arms Association	**56,625**	53,645
RAF Sports Parachuting Association	**38,152**	18,877
RAF Swimming Association	**44,144**	38,194
RAF Waterski & Wakeboard Association	**25,111**	25,111
RAF Winter Sports Association	**89,467**	51,171
Others	**541,329**	473,100
Other stations grants from Gift aided profit	**115,951**	154,500
Total Grants	**1,747,947**	2,154,961

During the year 2,393 Grants were made to Individuals (2021:1,536) at a value of £597,882 (2021: £341,905) to enable access to sport and physical activity.

Note 8 Intangible Fixed Assets

	Software Development
	£
Cost bought forward at 1 Jan 22	43,387
Additions	-
Disposals	-
Cost carried forward at 31 Dec 22	**43,387**
Amoritisation bought forward at 1 Jan 22	21,881
Provision for Year	12,253
Released on disposal	-
Amortisation carried forward at 31 Dec 22	**34,134**
Net Book Value bought forward at 1 Jan 22	21,506
Net Book Value carried forward at 31 Dec 22	**9,253**

Note 9 Tangible Fixed Assets

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Total
	£	£	£	£	£
Cost bought forward at 1 Jan 22	1,661,484	29,342	236,064	47,016	1,973,906
Additions	-	3,887	-	-	3,887
Disposals	-	-	-	-	-
Cost carried forward at 31 Dec 22	**1,661,484**	**33,229**	**236,064**	**47,016**	**1,977,793**
Depreciation bought forward at 1 Jan 22	96,218	20,898	76,437	-	193,553
Provision for year	49,665	4,488	23,644	-	77,797
Released on disposal	-	-	-	-	-
Depreciation carried forward at 31 Dec 22	**145,883**	**25,386**	**100,081**	-	**271,350**
Net Book Value bought forward at 1 Jan 22	1,565,266	8,444	159,627	47,016	1,780,353
Net Book Value carried forward at 31 Dec 22	**1,515,601**	**7,843**	**135,983**	**47,016**	**1,706,443**

Freehold land and buildings consists of the charity's properties at: Vine Lane; Danesfield and Feshiebridge Lodge.

The Fund additionally owns the Halton Tennis Centre. In 2007 the Trustees signed a 999 year agreement to lease the Centre to the RAF Lawn Tennis Association. The agreement places the responsibilities for the maintenance, insurance and upkeep of the property with the Association as the tenant. In accordance with FRS102, the carrying value of the Halton Tennis Centre, being the cost of purchase of the Centre from the Secretary of State in 2007 of £255,200 is not recognised in the financial statements as the charity has no rights or responsibilities with regards to the property until the lease completes in 3006.

Vine Lane was donated to the Fund on 1 July 1964 and is currently utilised under licence from the Fund by the RAF Cricket Association as the Home for Sport for RAF Cricket.

The land at Danesfield was originally purchased in conjunction with the Nuffield Trust for the Forces of the Crown ('the Nuffield Trust'). The site was wholly made over to the Fund under a deed dated March 1982, with the Fund acquiring the totality of the site for a cost of £26,300. The site is currently utilised under licence from the Fund by the RAF Rowing and Canoeing Associations as the Homes for Sport for RAF Rowing and Canoeing and by 22 Group (RAF) to provide facilities for force development and adventurous training for RAF personnel.

Feshiebridge Lodge was purchased in 1989 for £139,187. The asset has been included in the balance sheet at £139,187. Originally purchased as an adventure training centre, the Lodge is now wholly focussed on providing an enrichment welfare and recreational centre for personnel and their families. Work was completed on the site in 2020. Costs incurred were £1,489,947.

Note 10 Investments

10.1 Fixed Assets Investments	2022 £	2021 £
Carrying value bought forward	**45,125,897**	41,991,679
Additions to investments at cost	**7,204,446**	39,284,749
Disposals at carrying value	**-7,678,182**	-39,989,015
Management Fee	**-228,371**	-
Realised gain on sale	**127,519**	1,432,767
Unrealised revaluation movement	**-1,540,746**	2,405,717
Carrying value carried forward	**43,010,563**	45,125,897
Historic cost as at 31 December	**41,833,623**	42,906,801

10.2 Analysis of Investments	Market value 31 December 2022 £	Market value 31 December 2021 £	Income from Investments 2022 £	Income from Investments 2021 £
Allianz Portfolio Investments	**-**	-	**-**	162,520
CCLA Investments	**149,401**	147,957	**1,444**	13
Blackrock Charinco Common Investment Fund	**15,328**	15,328	**350**	506
Insight Global ABS Fund	**1,744,097**	5,683,819	**41,624**	116,131
Savills - Charities Property Fund	**3,851,286**	4,180,367	**160,259**	154,822
Marathon - Distressed Credit Fund	**2,461,739**	1,639,830	**-**	-
Ardevora	**1,266,300**	1,517,888	**21,245**	-
Baillie Gifford	**1,128,292**	1,444,214	**-**	7,204
LGIM	**9,288,992**	13,311,297	**175,327**	100,125
Barings	**5,320,421**	6,323,110	**337,101**	199,914
Beachpoint	**5,759,574**	5,802,757	**-**	-
Knightsbridge	**747,318**	309,330	**-**	-
JP Morgan -IIF Uk 1	**5,161,985**	4,750,000	**-**	-
IFM	**6,115,831**	-	**-**	-
Total	**43,010,563**	45,125,897	**737,350**	741,234

10.3 Material Investment Holdings

The following investments represent material holdings in excess of 5% of the portfolio at the period end within the total investment portfolio (excluding direct property investments):

	Market Value £	Percentage of Portfolio
Savills - Charities Property Fund	**3,851,286**	**9%**
Marathon - Distressed Credit Fund	**2,461,739**	**6%**
LGIM	**9,288,992**	**22%**
Barings	**5,320,421**	**12%**
Beachpoint	**5,759,574**	**13%**
JP Morgan - IIF UK 1	**5,161,985**	**12%**
IFM	**6,115,831**	**14%**

Note 11 Debtors and Prepayments

Group

Analysis of Debtors	**2022**	2021
	£	£
Trade Debtors	**89,172**	109,318
Prepayments and Accrued Income	**460,508**	402,807
Total	**549,680**	512,125

Charity

Analysis of Debtors	**2022**	2021
	£	£
Trade Debtors	**47,447**	43,295
Prepayments and Accrued Income	**445,705**	388,995
Total	**493,152**	432,290

Accrued income represents the net of monies collected by the charity's External Lottery Manager from RAF Sports Lottery players during December, not yet received by the Fund or utilised in play and the Investment dividends for Q4 2022, payable in Q1 2023.

Note 12 Creditors and Accruals

Group

12.1 Analysis of Creditors falling due within one year	**2022**	2021
	£	£
Committee Grant Creditors	**-**	118,043
Sports Grant Creditors	**1,024,663**	1,032,595
Tax and Social Security Creditors	**11,819**	11,672
Accruals and Deferred Income	**357,656**	301,062
Other Creditors	**32,354**	86,490
Total	**1,426,492**	1,549,862

Charity

12.2 Analysis of Creditors falling due within one year	2022 £	2021 £
Committee Grant Creditors	**-**	118,043
Sports Grant Creditors	**1,024,663**	1,032,595
Tax and Social Security Creditors	**11,819**	11,672
Accruals and Deferred Income	**290,645**	234,538
Other Creditors	**26,154**	58,847
Total	**1,353,281**	1,455,695

Note 13 Funds

13.1 Funds Held

Fund Name	Type	Purpose and Restrictions
Expendable Endowment	Expendable Endowment	Expendable Endowment for RAF Central Fund - Unrestricted.
Restricted Funds	Restricted	Monies transferred into the RAF Central Fund upon close of the Mechanics Endowment Fund. Restricted for the benefit of RAF trainees, especially those in the engineering disciplines.

Note 13.2 Funds

13.2 Movements of Major Funds

Fund Names	Fund balances bought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £
General Reserves	-	4,440,878	-4,242,921	-197,957	-	**-**
Expendable Endowment Fund	47,605,346	-	-341,566	197,957	-1,413,227	**46,048,510**
Restricted Funds	540,720	1,444	-65,043	-	-	**477,121**
Total Funds	**48,146,066**	**4,442,322**	**-4,649,530**	**-**	**-1,413,227**	**46,525,631**

Note 13 Funds

13.3 Transfers Between Funds

From Fund (Name)	To Fund (Name)	Reason	Amount
General Reserves	Expendable Endowment Fund	Support 2022 Grant Awards	-197,957

13.4 Analysis of Net Funds

	Expendable Endowment £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	9,253	-	**9,253**
Tangible Fixed Assets	1,706,443	-	**1,706,443**
Fixed Asset Investments	42,533,442	477,121	**43,010,563**
Net Current Assets	1,799,372	-	**1,799,372**
Total Net Assets	**46,048,510**	**477,121**	**46,525,631**

Note 14 Commitments and Contingent Liabilities

Since 2014, the Fund makes contributions towards the costs of pensions being paid to these past employees under a by analogy Principle Civil Service Pension Scheme ('PCSPS').

Note 15 Endowed Grants

Historically the Fund has provided grant funding to support the introduction of any new Mess or Junior Rank Welfare Fund facilities. Grant funding has been provided on the basis that the unit has no power to convert the capital provided into income and that the grant funding provided is to be held indefinitely.

All entities granted these permanently endowed grant funds must invest and seek to maintain the grant at a value no less than the original endowed grant monies, subject to market value losses and deflation. Income generated from the invested funds are restricted to support the appropriate charitable activities of the associated Mess or Junior Ranks Welfare Fund.

Endowed grant funds are returned to the Fund only on the extremely rare occurrence of the closure of an RAF unit and its associated Messes and Junior Rank Welfare Funds. Due to the expectation that funds will be retained indefinitely at the units, the Fund considered these to represent contingent assets and hence no value is recognised in the financial statements.

The value of endowed grant funds held at units as at 31 December 2022 is deemed to be £2,165,217 (2021: £2,291,660).

Note 16 Transactions with Related Parties

The outstanding related party transactions as at 31 December 2022 amounts to £2,046.71 (2021: £-6,619). The balance owed by the subsidiary as at 31 December 2022 amounts to £2,446.71 (2021: £-1,705.44).

Note 17 Subsidiary Entities

The results of the Fund's wholly owned subsidiary elements are within the Consolidated SOFA as follows:

	2022	2021
	£	£
Income		
Trading Income	171,829	263,957
	-	-
Total Income	**171,829**	**263,957**
Expenditure		
Trading Activities	156,175	78,702
Total Expenditure	**156,175**	**78,702**
Net Result of Subsidiary	**15,654**	**185,255**

RAF Central Fund Trading Ltd
Company Number: 8747522

A company set up for the RAF Central Fund to conduct trading in support of its charitable objectives.

During the year the Trading Company was re-charged £33,099 (2021: £29,510).

Directors:
Dr Eamon Molloy
Gp Capt (Retd) Mark Williams
Mr John Michaelson
MR Atul Hindocha
Wg Cdr Sarah Brewin
Mr Ross Perriam

Note 18 Outstanding Commitments

The Fund had no outstanding commitments as at 31 December 2022 (2021: £Nil).

Note 19 Events after the end of the reporting period

On the 22 April 2023 the charity merged with the RAF Sports Federation.
The RAF Sports Federation is now a 100% owned subsidiary of the charity with the Fund being the Federations' sole member.

THE ROYAL AIR FORCE CENTRAL FUND

England & Wales - Charity number 1152560

Accounts

ROYAL AIR FORCE CENTRAL FUND

ANNUAL REPORT

2021

Registered Company Number: 8555984 Charity Registered in England and Wales: 1152560
Charity Registered in Scotland: SC044299

CONTENTS

2 Trustees, Committees, Officers and Advisors

6 A Message from the Chair

7 A Message from the CEO

11 Trustees' Report for the Year Ended 31 December 2021

53 Independent Auditors' Report to the Trustees of the Royal Air Force Central Fund

56 Statement of Financial Activities for the Year ended 31 December 2021

57 Balance Sheet as of 31 December 2021

58 Statement of Cash Flows for the Year ended 31 December 2021

59 Notes to the Financial Statements for the Year Ended 31 December 2021

TRUSTEES, COMMITTEES, OFFICERS AND ADVISORS

TRUSTEES

Dr E Molloy	Chair
Warrant Officer J Crossley	
Mr J C Michaelson	
Mrs S Bridgeland	Resigned 7 July 2021
Mrs A Farmery	
Group Captain M Williams	
Air Vice-Marshal J Ellis	Resigned 12 April 2022
Group Captain C Baker	

FINANCE AND RISK COMMITTEE MEMBERS

Group Captain M Williams	Chair & Trustee Member
Group Captain A Portlock	
Squadron Leader K Tinkler	
Mr B Cartledge	
Wing Commander S Brewin	

GRANTS COMMITTEE MEMBERS

Warrant Officer J Crossley	Chair & Trustee Member
Group Captain J East	Resigned 4 January 2021
Mr M Nurse	
Warrant Officer J Wall	Resigned 22 March 2022
Warrant Officer S Cotman	Resigned 22 March 2022
Squadron Leader G MacKay	
Warrant Officer M Ratten	
Warrant Officer J Alpert	
Squadron Leader P Luckett	Resigned 4 May 2022
Warrant Officer T Buxton	
Squadron Leader C Spear	Resigned 22 March 2022
Warrant Officer A Whitton	Resigned 21 June 2021
Squadron Leader R Causer	Resigned 22 March 2022
Group Capt C Owen	Appointed 2 March 2021, Resigned 22 March 2022
Squadron Leader A Lynn	Appointed 6 October 2021
Squadron Leader R McPhee	Appointed 22 March 2022
Warrant Officer E Kerslake	Appointed 22 March 2022
Warrrant Officer G Evans	Appointed 22 March 2022

REMUNERATION COMMITTEE MEMBERS

Mrs A Farmery	Chair & Trustee Member
Group Captain M Williams	Trustee Member
Warrant Officer J Crossley	Trustee Member

INVESTMENT COMMITTEE MEMBERS

Mr J C Michaelson	Chair & Trustee Member
Mrs S Bridgeland	Trustee Member
Group Captain M Williams	Trustee Member
Mr J Brown	

PRINCIPAL OFFICERS OF THE CHARITY

Mrs N Graske	Company Secretary
Mr R Perriam	Chief Executive Officer

REGISTERED ADDRESS

Hurricane Block Headquarters
Air Command
RAF High Wycombe
Buckinghamshire
HP14 4UE

PRINCIPAL OFFICE

RAF Central Fund Danesfield
New Lock Lane
Henley Road
Medmenham
Buckinghamshire
SL7 2EY

PROFESSIONAL ADVISORS

INVESTMENT ADVISORS

Lane Clark & Peacock LLP
95 Wigmore St
London
W1U 1DQ

INVESTMENT MANAGERS

Marathon Distressed Credit Fund, LP
Savills Investment Management Ltd
Allianz Global Investors Europe GmbH
Insight Investment Global ABS Fund
Baillie Gifford & Co Ltd
Legal and General Investment Management Ltd
Barings Global Investment Funds 2 Plc
Knightsbridge Advisers LLC
JP Morgan Ltd
CCLA Fund Managers Ltd
BNY Mellon Alternative Investment Services Ltd
Link Fund Administrators (Ireland) Ltd

REGISTERED AUDITORS

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

LEGAL ADVISORS

Charles Russell LLP
5 Fleet Place
London
EC4M 7RD

Russell-Cooke LLP
2 Putney Hill
London
SW15 6AB

BANKERS

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

The Trustees, who are also directors of the Royal Air Force Central Fund for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2021. The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice "Accounting & Reporting by Charities" (FRS102) and in line with current statutory requirements, the Charity's Constitution and applicable Accounting Standards in the United Kingdom.

2017

A MESSAGE FROM THE CHAIR

2021 continued to be yet another unpredictable year as the pandemic impacted our nation's ability to be physically active.

Once again, I'm proud to say that our Executive team with support from the Board continued to find innovative ways to mitigate restrictions placed on sport and fitness activities. This response helped ensure that our beneficiaries were able to remain physically and mentally healthy.

One initiative involved the trialling of the FitSwarm platform. Through this, personnel were able to connect live and on demand with RAF and external instructors in a variety of classes in a secure, virtual environment. Following consultation with the Royal Centre for Defence Medicine it became apparent that this platform would serve as a solution for those medical staff who were unable to attend live classes due to their working hours. A series of bespoke yoga and relaxation classes were created in conjunction with a yoga specialist to provide much needed opportunities for decompression for those on the Covid front line.

Underpinning our support are the Fund's two main sources of income, both of which responded well in the face of a challenging environment in 2021. Whilst the Lottery naturally experienced a slower uptake in new tickets, attrition remained on track so that the decrease in income was manageable. Our second source of income, our investments, received a strategic review. This review has helped us weather the market volatility and I am pleased to say that the Fund performed well, ensuring that support continues to meet the demand of our beneficiaries.

In addition to our role as the RAF Charity for sport and physical activities, 2021 saw us undertake an exceptional piece of work in recovering circa £700,000 of mess excess income on behalf of the RAF. These funds were distributed to the stations in the spring in order that the Station Commanders could utilise them for the good of serving personnel. Our 100+ year history included the provision of support for the formation of Messes at new RAF units, so it was fitting that we were able to step in and add this much needed assistance.
We look forward to supporting RAF personnel and a full return to physical activity and RAF Sports winning ways in 2022.

Eamonn Molloy

Dr Eamonn Molloy
Chair, RAF Central Fund

A MESSAGE FROM THE CEO

The gradual and phased lifting of restrictions in 2021 meant that our beneficiaries' ability to participate and compete in sport and physical activity was determined by what their chosen activity was. For many, the season had passed by the time restrictions were lifted whilst others benefitted from the legal limits of social contact being lifted in the summer. Against that backdrop, it was encouraging to note that demand for 'pre-habilitative' funding for sports equipment remained consistent with previous years as our beneficiaries pivoted to trying different activities in a bid to remain physically and mentally fit.

Detail on the number and types of sports grants awarded can be found later in this report. However, it is the testimonials underpinning those numbers that are the real metric for the Central Fund team. 2021 was a record year for feedback from our beneficiaries and knowing that the grants had such a positive and, in some cases, life changing impact on RAF personnel (see pages 8 and 9) reminded us of the power of sport and the impact that the Central Fund provides.

Knowing the difference the Central Fund makes, is the reason that one of our values is Stewardship. We take seriously our responsibility to ensure that the Fund can provide support not only to our current beneficiaries but also to those yet to come. With that in mind, we used the space that the pandemic created to review our own practices and, in collaboration with our partners the RAF Sports Federation and the Directorate of RAF Sport, we launched a three-year funding cycle for the RAF Sports Associations. This process will reduce administration for associations, give greater visibility of future funding, help to identify the financial status of many RAF sports and will improve their confidence to advance book venues or purchase goods and services at beneficial rates. Whilst an administrative exercise, the expectation is that this is the start of a transformational change programme that will translate into greater opportunities for RAF personnel to participate, compete and win in their chosen activity for years to come.

The team and I look forward to welcoming everyone back to their chosen activity in 2022 and supporting serving personnel to achieve whatever goals they set for themselves.

Ross Perriam
Chief Executive Officer, RAF Central Fund

"The RAF Central Fund provide vital support for personnel to participate in their chosen sport. From Sports Association funding to club support at a Station level, sport in the RAF wouldn't happen the way it does without the Central Fund. For those that have the opportunity to do something different, don't let your determination falter and who knows where you will end up."

WO Saul Vine

"I DON'T THINK I WOULD HAVE GOT THROUGH THE LAST 12 MONTHS OR SO WITHOUT MY SPORT AND THE SPORTS GRANT AS I HAVE FOUND IT PARTICULARLY CHALLENGING ON MY MENTAL HEALTH, SO BEING ABLE TO DO WHAT I LOVE HAS MADE A REAL DIFFERENCE TO ME, SO THANK YOU."

"The RAF Central Fund helps RAF personnel physically and mentally by providing support to participate in sport, which has been more important than ever over lockdown. We wanted to give something back by challenging ourselves with pulling the Dakota to raise funds for them – and it was definitely a challenge!"

RAF Coningsby - Dakota Plane Pull Fundraising Challenge

"SPORTS GRANTS ARE A REAL PRIVILEGE IN THE RAF, WHICH ALLOWS ME TO BETTER PREPARE AND TRAIN FOR MY CHOSEN SPORT (VOLLEYBALL). WITH DECENT KIT I FEEL COMFORTABLE AND MORE CONFIDENT WHEN PLAYING, IT'S ALSO A GOOD INCENTIVE TO KEEP WORKING HARD AT MY SPORT, WHICH IN TURN KEEPS ME AT MY FITTEST. SPORT IS ONE OF THE REASONS I STAY IN THE RAF."

"The Central Fund is known for funding sport in the RAF, but is less known for their support to those recovering from mental health issues with charitable grant funding to help get them active again. They give those in need a chance to find wellbeing and happiness by taking part in their chosen sport, regardless of their standard and regardless of their ability."

WO Justin 'Max' Wall

"It's great to have access to the fantastic BeaverFit lockers whilst deployed. They allow us to take a more structured approach to personal training, knowing that we have our own facility to do so thanks to the RAF Central Fund, it's been an essential morale booster during a busy Operation!"

Flt Lt Carey - BeaverFit FOB Locker 'Gym in a Box'

"I'M INCREDIBLY GRATEFUL FOR HAVING ACCESS TO THIS GRANT, THE KIT I'VE BOUGHT WITH IT HAS REALLY HELPED AND I'VE NOW GONE FROM THE DEVELOPMENT SQUAD TO THE REPRESENTATIVE TEAM, LARGELY DOWN TO THIS KIT. THANK YOU."

The RAF Central Fund has been fundamental the past few years, enabling me to purchase my GB Age Group Trisuit, funding race entries as well as purchasing several pieces of kit that have helped excel my training and development as an athlete. Without the support from the Central Fund I wouldn't have been able to compete at World or European Championships and get the results I've achieved. So thank you!"

Fg Off Hannah Dodwell

"THE SPORTS GRANT HAS ENABLED ME TO BE ABLE TO PLAY GOLF TWICE A WEEK DURING THE SUMMER, I HAVE LOST WEIGHT, PLAYED BETTER AND BUILT UP FRIENDSHIPS WITH PERSONNEL FROM ACROSS THE RAF NOT JUST WITHIN MY OWN WORK BUBBLE. I'M REALLY GRATEFUL FOR THE GRANT, IT'S ALLOWED ME TIME TO FEEL FREE AWAY FROM WORK STRESSES."

"After many years of playing the lottery to support the charity, I've now been exceptionally lucky to have won the top prize! I would encourage anyone to play the Sports Lottery so that the Central Fund can continue the work it does in supporting sport across the RAF."

Sgt Mike Nicholson

ZOGGS

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

HISTORY

The Royal Air Force Central Fund (the Fund) can trace its origins back to the early formative period of the Royal Air Force. During 1919 to 1922 the Air Council Central Fund was established to collate monies originally donated by both commissioned and non-commissioned RAF personnel to support the welfare of others in the RAF from disbanded RAF units.

The Fund was briefly separated into two central institute funds with objectives to provide non-public welfare support to both officers and other ranks prior to subsequent re-unification and amalgamation into the Air Ministry Non-Public Fund in 1923. The Air Ministry Non-Public Fund reiterated the original object of the Fund to 'improve the amenities of service life for the benefit of serving personnel'.

The Air Ministry Non-Public Fund was supplemented in 1937 by the creation of the RAF Central Reserve Fund. Following a reserves transfer from the Air Ministry Non- Public Fund in 1940, the RAF Central Reserve Fund's name was shortened to the RAF Central Fund in 1943. In 1945 the aims of the Fund were widened to include grant making to Command Central Funds and charitable organisations.

A subsequent comprehensive review of RAF charitable funds in 1959 resulted in the Command Central Funds being amalgamated into the Fund, which was then formally registered as a charity in 1963.

The RAF Sports Lottery was established by the Fund in 1993 to generate funding to support sporting activities and endeavours of RAF personnel.

The Mechanics Endowment Fund was amalgamated into the Fund in 2007, carrying the restriction that funds can only be utilised to provide benefit to RAF trainees, with an emphasis towards those trainees within the engineering disciplines where possible.

AIMS AND OBJECTIVES

The Memorandum and Articles of Association defines the Fund's object as a charity that is:

> *Specifically restricted to the general benefit of members or former members of the Royal Air Force and their dependants in such charitable ways as the Trustees think fit.*

This object presents the Trustees with wide powers, enabling them to provide charitable assistance to the RAF Community, primarily via charitable grants.

The core vision of the Fund, to provide support to those serving in the RAF today and on an enduring basis, continues to underpin the ethos and activities of the charity. From the Fund's origins back in 1919, through to the present day, the Fund has remained steadfast in its duty to support those who serve in the RAF. Working directly alongside those we support ensures the Fund is able to remain focused on and react quickly to their evolving needs through amenities and sports provisions.

VISION

For all serving personnel to develop their full potential through sport and physical activity.

MISSION

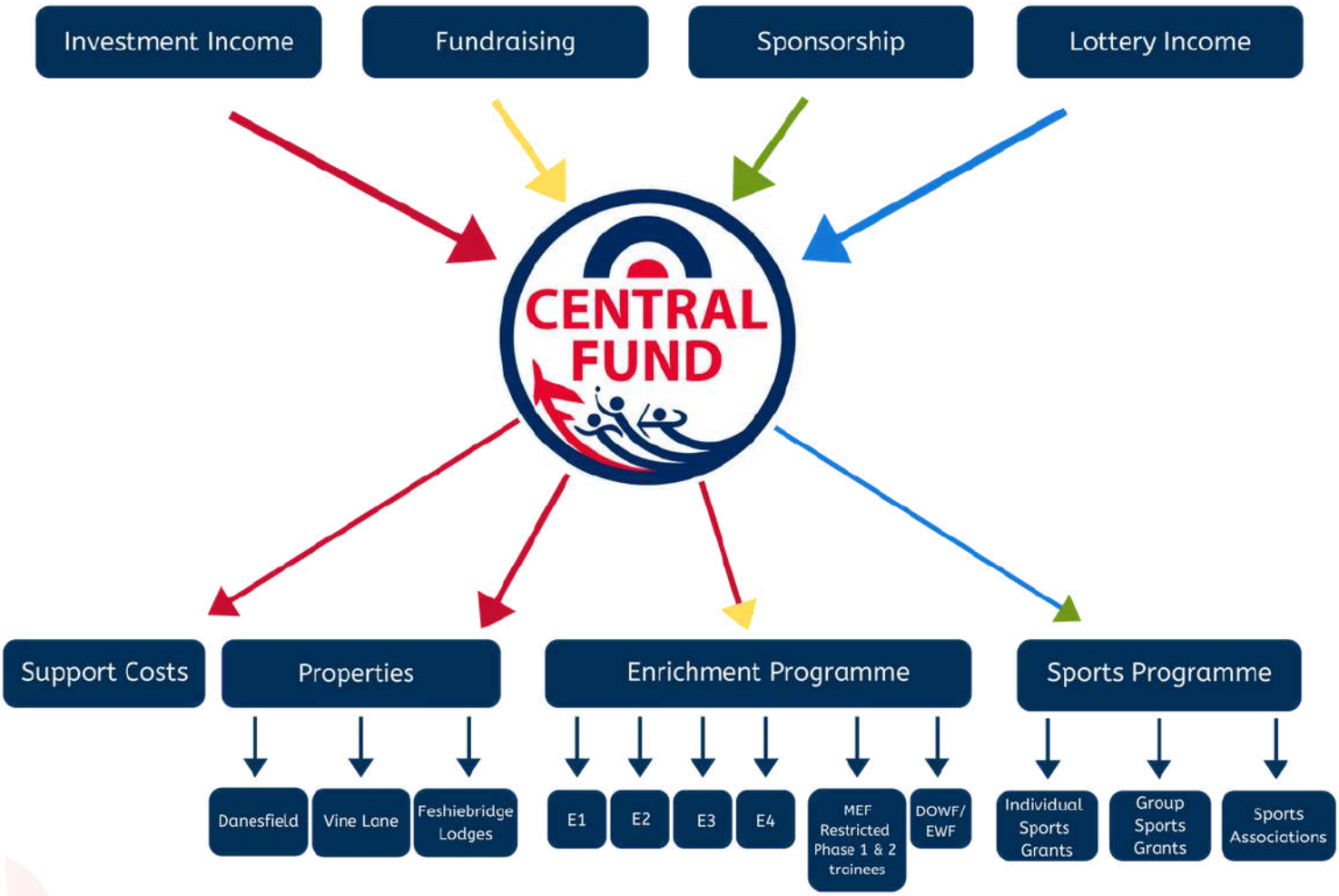
To enable all serving RAF personnel to access sporting opportunities and physical activities.

STRATEGIC OBJECTIVES

- Broaden understanding of how the challenges of service life affect the RAF community with regards to health and fitness.
- Develop and deliver flexible, accessible support programmes that reach those most in need.
- Significantly increase awareness of its work within the RAF community.
- Manage the charity as effectively and efficiently as possible.
- Grow and sustain the resources required to meet the needs of its beneficiaries.

Success criteria were put in place to ensure that progress was made towards achieving the new mission.

THE FUND'S INCOME AND FUNDING PROGRAMMES:



OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Trustees recognise the two principles of public benefit and believe that the objectives and activities of the Fund formally meet these principles by:

- Assisting the promotion of military efficiency.
- Providing RAF personnel with the necessary skills to carry out the RAF contribution to the Defence of the United Kingdom and its interests.

As noted above, the Fund seeks to concentrate support around its current objective:

> *For all serving personnel to develop their full potential through sport and physical activity.*

Working towards this vision assists in the promotion of military efficiency which underpins esprit de corps and team working, whilst additionally encouraging personnel to develop the character, spirit and attitude to face challenges and danger associated with military service. As a result, the Fund provides a benefit not only to our direct beneficiary group but additionally to the general public in helping to provide personnel who are motivated, have high morale and are willing to serve the needs of their country and that of its public, at all times.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

GRANT MAKING

As previously noted, the Fund seeks principally to meet its objectives through the provision of support as a grant making charity.

Stations, groups and individuals are encouraged to apply to the Fund for grants that meet our charity's criteria to support, encourage and develop the serving RAF community. Details of current grants criteria, administrative guidance and bid forms are provided on approach to the Fund and in 2021 were also provided on the Fund's website (www.rafcf.org.uk) along with general guidance to support the enrichment grant programme. Work continued automating the processing of grant applications and this work is expected to continue until there is a fully automated process in place.

Applications for support towards activities undertaken via the RAF Sports Associations were updated to a three-year joint planning process. Allowing greater scope for associations to develop long-term strategies, applications are subject to an initial assessment by a committee of members of the Fund's senior leadership team, supported by the Directorate of RAF Sport and the RAF Sports Federation. Recommendations are then presented to the Board of Trustees for consideration. Applications are assessed against the Fund's charitable objectives which are communicated to the Associations by their appointed RAF Central Fund Ambassador.

Enrichment grant applications under £5,000 and meeting certain criteria are assessed by a committee of senior Fund managers, whilst those over £5,000 are considered by the Grants Committee to ensure they meet our charity's objectives and provide maximum benefits and value for our beneficiaries. The Grants Committee consists of a panel of serving personnel who are selected to ensure that all serving RAF personnel are fairly and appropriately represented.

The Grants Committee can approve grant applications up to £50,000. Grants in excess of £50,000, if approved in principle by the Committee, will be referred to the Board of Trustees for consideration.

Applications for support from individual sports grants are subject to a process of internal assessment. Grants which have higher values are subject to review by the Sports Grants Panel consisting of Fund senior managers, supported by a representative of the Directorate of RAF Sport and the RAF Sports Federation. The Panel has authority to approve grants to an individual maximum of £5,000. Grants in excess of £5,000 are recommended to the CEO and those in excess of £25,000 are recommended to the Grants Committee.

The Fund continues to work closely with its beneficiary community and the RAF Community Support team to help RAF stations and units strategically manage their sports and physical activity needs and to identify and prioritise key areas which will benefit from support.

The impact of the grant funding programmes is assessed through retrospective reporting on station projects as well as via surveys to individual beneficiaries. Additionally, as a result of the three-year funding plan for associations, yearly assessments are completed by representatives of the Fund, Directorate of RAF Sport and Sports Federation.

The focus of the RAF Central Fund in 2021 remained the same as 2020 but continued to adapt to the changes brought about by Covid-19. Whilst the central principle of funding applications that encourage serving personnel to participate in sporting activities remained, lockdowns and social distancing resulted in the need for our charity to be more flexible and creative in our goal to promote physical and mental fitness and resilience.

STRATEGIC REPORT

The focus for the Fund was agreed pre the Covid-19 pandemic and was set to operate closer to the cash flows provided by its income streams to preserve the Fund's longer-term future. This aim remains in place however, there was an expectation that this goal may be challenging given the uncharted waters the Fund found itself in. Fortunately, the Fund's response to the pandemic resulted in not only the achievements documented in the following pages but also the Fund delivering on its pre-Covid financial goals.

WE SAID WE WOULD REVIEW OUR FUNDING STRATEGY

WE LAUNCHED A 3 YEAR FUNDING STRATEGY IN 2021

WE SAID WE WOULD STRENGTHEN THE BREADTH OF MEMBERSHIP, REPRESENTATION AND SKILLS BASE ACROSS THE BOARD AND COMMITTEES

WE APPOINTED 5 NEW COMMITTEE MEMBERS

WE SAID WE WOULD REVIEW THE FUND'S INVESTMENT STRATEGY IN ORDER TO MAXIMISE RETURNS FOR ITS BENEFICIARIES

WE IMPLEMENTED OUR NEW INVESTMENT STRATEGY IN 2021

WE SAID WE WOULD DELIVER A BALANCED BUDGET

WE EXCEEDED THAT TARGET

CHARITABLE SUPPORT PROGRAMMES

RAF SPORT ASSOCIATION SUPPORT

50
RAF SPORTS ASSOCIATIONS FUNDED

1720*
NEW MEMBERS

226%*
NEW MEMBER INCREASE

10,396*
PERSONNEL SUPPORTED

£1,018,416
VALUE OF ASSOCIATION FUNDING

INDIVIDUAL SUPPORT

1,537
TOTAL NUMBER OF GRANTS AWARDED

TOTAL VALUE OF AWARDED GRANTS
£339,054

584
RAF LEVEL GRANTS

VALUE OF RAF LEVEL GRANTS
£180,235

947
DEVELOPMENT LEVEL GRANTS

VALUE OF DEVELOPMENT LEVEL GRANTS
£158,200

*Figures provided by the Sports Associations

STATION LEVEL SUPPORT

NUMBER OF ENRICHMENT GRANTS **31**

24 RAF STATIONS SUPPORTED

44 RAF CENTRAL FUND STATION AMBASSADORS RECRUITED

5,743 PERSONNEL SUPPORTED THROUGH ENRICHMENT GRANTS

VALUE OF ENRICHMENT GRANTS **£241,064**

23% INCREASE ON 2020

2 Station Overseas Visits

MECHANICS ENDOWMENT FUND

6 MEF GRANTS AWARDED

145% INCREASE ON 2020

£34,279 VALUE OF MEF GRANTS

1,046 PERSONNEL SUPPORTED THROUGH MEF GRANTS

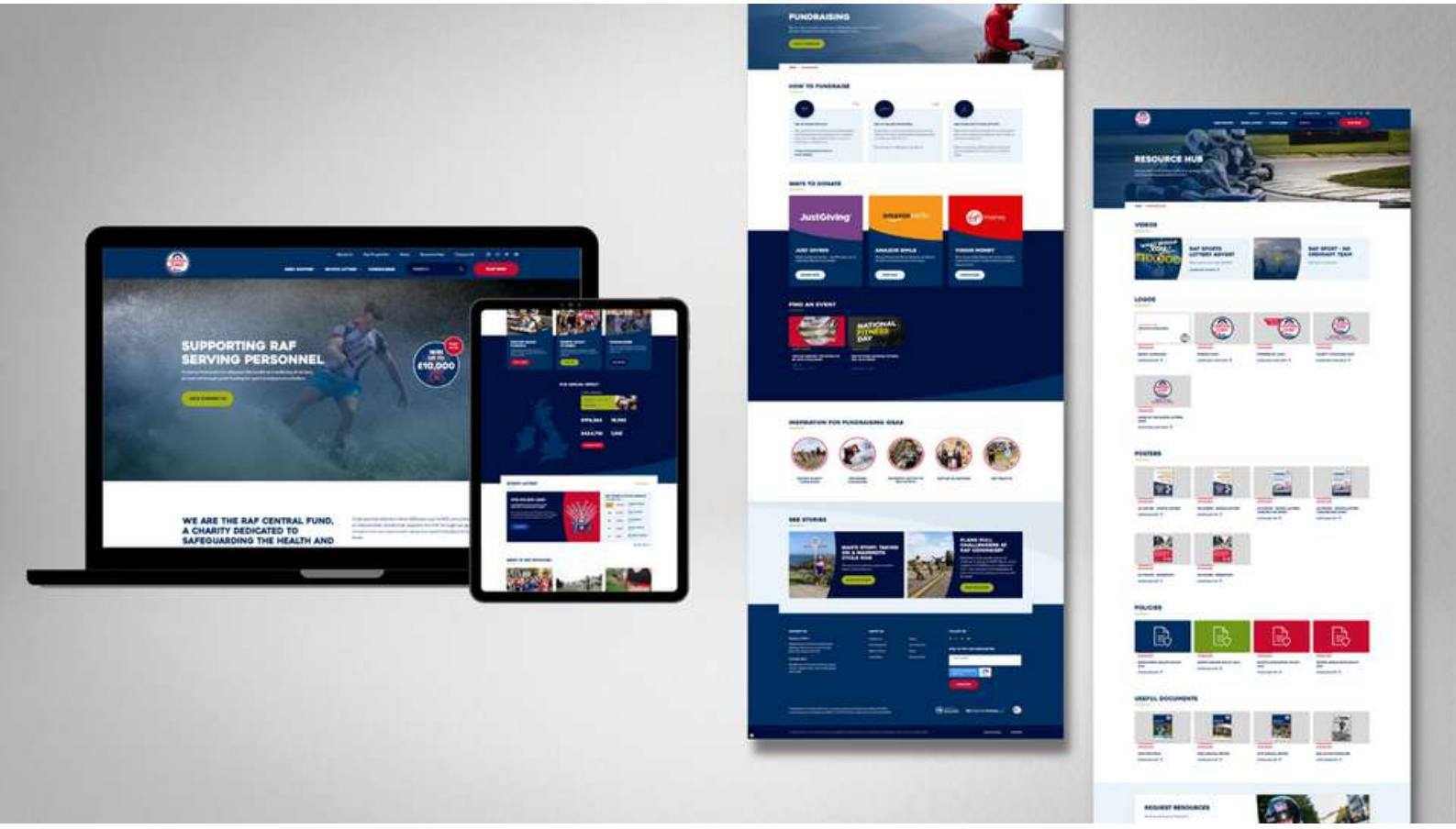
Powered
by the
CENTRAL
FUND
www.rafcf.org.uk

INCREASING AWARENESS OF OUR WORK

In 2021 the Fund's Marketing Department continued its work to promote the charity through awareness raising of its funding programmes and promotion of the Sports Lottery so that more serving RAF personnel would benefit from its support.

NEW WEBSITE

The primary focus over the last 12 months has been the design and delivery of a new RAF Central Fund website with a content management system that enables content creation and publishing to be carried out in-house. The layout of the website has been streamlined and the design has been simplified to allow for a much-improved user experience. The impact of the charity has been highlighted on the homepage with news categorisation to emphasise the breadth of support provided and the effect this has on our beneficiaries. A new Resources Hub section provides a platform to share marketing materials with our supporters including our logos and brand guidelines alongside videos and digital publications.



PARTNERSHIP PROMOTION

Following a successful UK-wide vaccination programme, 2021 saw a return to RAF Sport and Station gyms saw increased footfall as restrictions were eased. Whilst our partnerships with Myzone and Les Mills UK were formed to encourage physical activity during lockdown, these initiatives have continued to be promoted in recognition of the positive way they were received by serving personnel. There are now over 1,600 personnel in our RAF Central Fund Myzone community. In 2021 a promotion of the latest Les Mills+ offer for serving personnel resulted in 1,421 clicks on the offer of which 693 converted to the monthly subscription.

1,600+

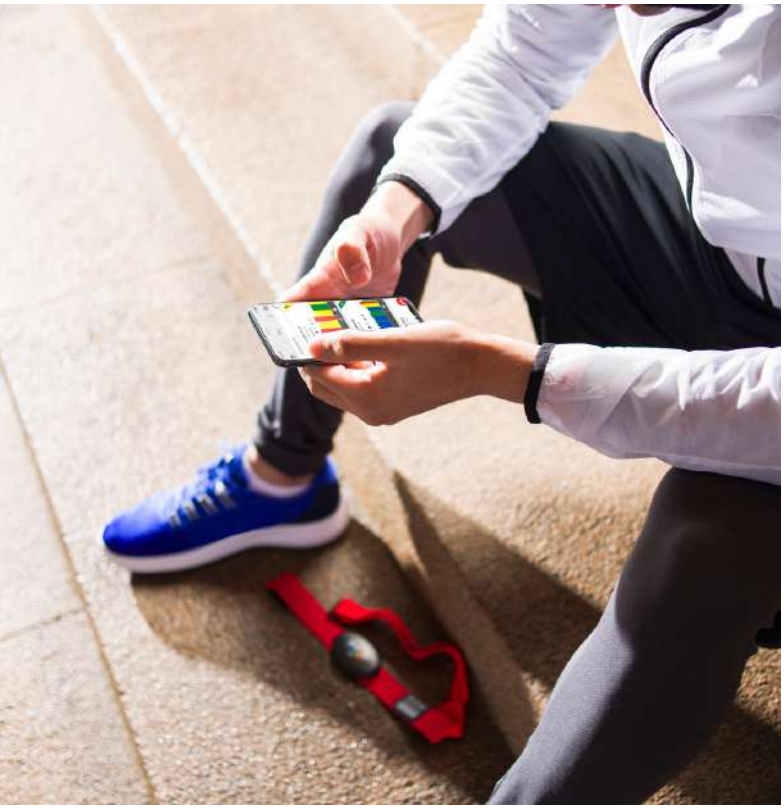
IN OUR RAF CENTRAL FUND MYZONE COMMUNITY

1,421

LES MILLS+ OFFER CLICKS CONVERTING INTO

693

MONTHLY SUBSCRIPTIONS



NEW PLATFORMS

The success of these partnerships led to the trial of new initiatives to further expand the breadth of our support and encourage increased physical activity amongst those serving in the RAF. The first was with Joymo, a live video streaming platform, which was offered on a six-month trial basis to the RAF sport associations to facilitate content provision and encourage new members to join. Whilst the platform was well received by some of the associations there was not enough interest to take it forward, in part due to a lack of time and manpower given those running the sports associations are doing it as a secondary duty.

Another digital platform to encourage physical activity amongst serving personnel was also trialled in 2021, this time with FitSwarm. Unlike Les Mills+, FitSwarm provided an opportunity to deliver both live and pre-recorded workout classes specifically tailored to the needs of serving personnel. Recognising the need to support RAF doctors and nurses following a particularly tough time on the frontline of the Covid-19 pandemic, pre-recorded yoga classes were offered to all RAF medical staff to relax and destress at a time that suited them. In addition to this, a six-month trial of live strength and stretch classes was also offered to all serving personnel but demand was not at a high enough level to warrant the continuation of this offer.

STATION VISITS

2021 saw a resumption of Station visits and a returned presence at RAF Station Health & Wellbeing Days. Whilst footfall at Station events to promote the work of our charity and the Sports Lottery has been low initially, possibly due a continuation of homeworking for a significant proportion of serving personnel, it is hoped that attendance at these events will increase going forward.

Promotion of the Sports Lottery remains a top priority for the Fund's Marketing Department and a return to face-to-face briefings to the cadets at RTS saw sign up rates return to their pre-Covid levels. Opportunities to promote the lottery to a previously untapped market of reservists and former serving have also been explored with reservist cadet briefings and tailored advertisements both online and in RAF publications.

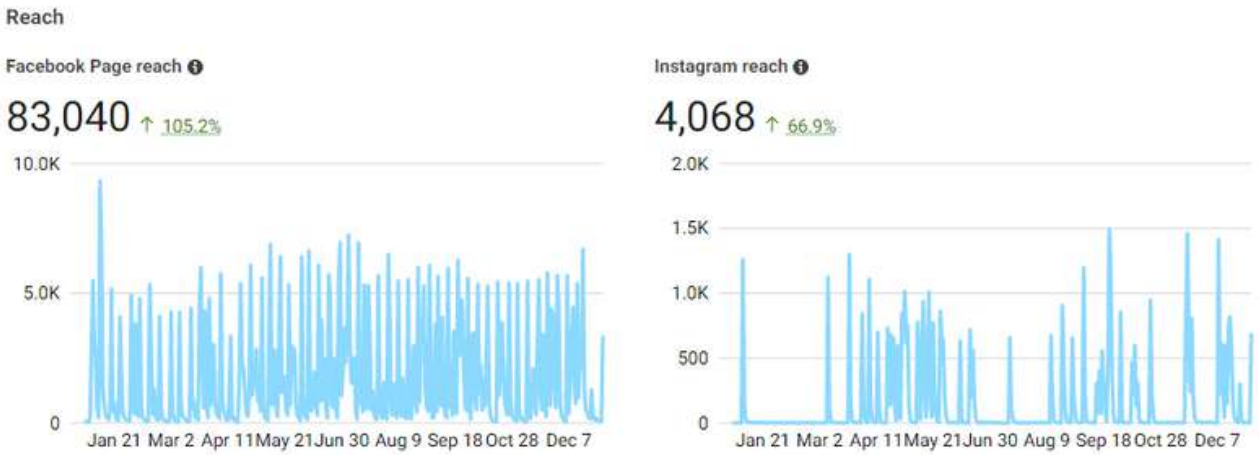
SOCIAL MEDIA

The Central Fund's social media presence continued to grow with the charity's main Facebook channel seeing an 105% increase in reach and pages visits up by 29% in 2021. Heightened activity was seen around the promotion of fundraising initiatives including the Captain Tom 100 Challenge and 5K in May where participants were encouraged to share images of their fundraising efforts. Our Instagram channel also saw an increase in reach and page visits with spikes correlating to results of the National Fitness Day Challenge and the RAF Sport Awards.

Continuing support to RAF serving personnel through partnership offers.

Promotion and support of fundraising events.

New style of Sports Lottery results table.



GROWING AND SUSTAINING THE RESOURCES REQUIRED TO MEET THE NEEDS OF OUR BENEFICIARIES

THE RAF SPORTS LOTTERY

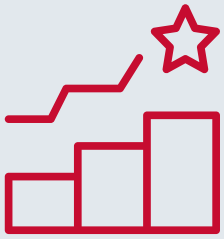
The RAF Sports Lottery, operating as a weekly Society Lottery, continues to be the number one source of income for the Fund. In 2021, total players increased by just over 2% to 17,355 with new lottery ticket numbers struggling to grow, although overall gross Lottery income for the year (£2.88 million) achieved 99% of its budget; down 1 % on 2020. The Lottery is now generating an income on par with pre-pandemic levels.

The Lottery awards prizes totalling £18,000 each week and there were over 1060 winners in 2021. The cost of awarding these prizes, together with External Lottery Manager Fees and overhead costs totalled £1,221,238 (2020: £1,434,443) for the twelve months of play. The Lottery generated a net surplus during 2021 which was utilised in-year within the individual sports grant programme.

FUNDRAISING

The nature of most fundraising is through sporting or physical activity challenges and therefore it was only fitting that a three-year fundraising strategy was created in 2019 to start building an additional income stream for the Fund. The execution of the strategy continued in 2021 to the following effect:

£179,500
TOTAL FUNDRAISED



64
CHALLENGES COMPLETED

DONATIONS FROM ONLINE PLATFORMS £18,200

12 STATION DONATIONS

Fundraising campaigns for 2021 were adapted as a result of the Covid-19 pandemic's continued effect on mass participation events with many being cancelled or further delayed. Instead, the Fund launched virtual challenges including the RAF Cosford Challenge which saw 600 participants each completing 100km in 30 days. Additionally, RAF Leeming challenged the rest of the Air Force to race around the world in 80 days with the entrance fee going to the RAF Central Fund as a donation.

Work to source partner suppliers of sports equipment and clothing also continued in 2021 with the Fund's preferred supplier Specialist Sports continuing to make donations to the Fund. Specialist Sports also provide a mechanism for the Fund to reconcile grants which in turn helps improve our charity's financial governance.

PROPERTIES

FESHIEBRIDGE

Feshiebridge Lodges, prioritised for serving RAF personnel to use for holidays, outward bound courses and decompression, opened in January 2020 and has continued to prove popular amongst RAF personnel and the public.

Although the site was required to close for 15 weeks in 2021 due to the pandemic, bookings resulted in a 90% occupancy for the weeks that the site was permitted to open.

"BEYOND EXPECTATIONS, GREAT VALUE"

"THE LODGE WAS CLEAN, COSY, COMFORTABLE AND VERY WELL EQUIPPED. CAN'T WAIT TO BOOK OUT NEXT TRIP!"

"IDEAL FAMILY HOLIDAY. SUPERB"

"LOVELY ACCOMMODATION, VERY CLEAN, ALREADY BOOKED AGAIN FOR NEXT YEAR."

HALTON TENNIS CENTRE

Halton Tennis Centre is the Home for Sport for RAF Tennis and is used by RAF personnel for try outs, training and events. The property is owned by the Fund and leased to the RAF Tennis Association to provide members and their families with access to tennis facilities, coaching and competitions for all abilities.

VINE LANE

RAF Central Fund Vine Lane is used by RAF cricket on an infrequent basis. The Fund are continuing to review how the cricket ground could be better utilised for the benefit of its beneficiaries whilst taking into consideration the requirements of RAF Sport. Discussions continue with the Local Council to identify possible opportunities for the site. The potential financial, reputational and environmental impacts of a change of use are being considered as part of the review.

DANESFIELD

RAF Central Fund Danesfield is utilised on a daily basis by serving RAF personnel in order to take part in Robson Academy of Resilience training. Danesfield is also the Home for Sport for RAF Rowing and RAF Canoeing Associations with regular training, club sessions and events taking place at the site. Due to the unique location of the site, the Fund is reviewing future upgrade opportunities.

MANAGING OUR CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE

In 2021 the Fund, in partnership with the RAF Directorate of Sport and the RAF Sports Federation launched a three-year funding cycle. This not only reduced the administrative burden on associations but also gave them greater visibility of funding and improved confidence to make longer term decisions. Furthermore, it gave the Fund an opportunity to pool resources with other funding providers resulting in more personnel being supported and gave greater visibility to the future needs of our beneficiaries.

The Fund signed up to the Sporting Equals Charter in April 2021 and followed this up with the publication of its Ethnicity, Diversity and Inclusion plan. This is designed to promote fair opportunity for all and to ensure that Fund benefits from as diverse a range of experience as possible. Progress against the plan will be published annually.

In 2021, our charity was made aware of an issue that the RAF Service Funds had in relation to three years of uncollected excess income from service providers. In order to provide even greater value to the RAF, the Fund consulted with legal and tax specialists to find a solution to the problem. A solution was found and, in the summer of 2021, the excess income was unlocked and released back to the Station Commanders via the RAF Central Fund.

We also initiated partnerships with sports equipment and clothing manufacturers and other suppliers in 2021 that would help the funding pot go further in the years to come. The aim is to continue to be able to meet the needs of our charity's beneficiaries whilst operating a balanced budget.

The need for full time office space was reviewed and in 2021, the Fund formalised a blended approach to work for its employees and reduced its office lease by 75%. The resultant savings helped improve the efficiency of our charity.

2021 also witnessed the continuation of improvements to the financial and charitable governance of the Fund. Virtual attendance by team members at Gambling Commission, Lottery Commission and financial seminars allowed for existing policies and processes to be reviewed and, where necessary, updated.

DRAKEN
CENTRAL FUND

ORGANISATIONAL STRUCTURE AND GOVERNANCE

The Board of Trustees is responsible for setting the strategic direction of the Fund whilst the day-to-day management of the Fund is the responsibility of the Chief Executive Officer.

The Chief Executive Officer has delegated authority to determine operating policies, manage operational planning, budgets, property and staffing resources to support the strategic and policy framework of the Board and is responsible for the effective and efficient management of the Fund.

Trustees delegate authority to the Chief Executive Officer and the Chief Operating Officer to authorise budgeted expenditure to a limit of £50,000 and to approve items of un-budgeted expenditure subject to an individual item maximum of £25,000 where this does not represent more than a 10% variance from approved financial forecasts. Details of significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

The Trustees of the Fund have constituted four Committees: the Finance and Risk Committee; the Grants Committee; the Investment Committee and the Remuneration Committee in accordance with paragraph 11 of the Fund's Articles of Association. The Fund's Trustees set clear terms of reference for the Committees and receive regular reports on their activities.

THE FINANCE AND RISK COMMITTEE

The Trustees delegate the oversight of the Fund's finance and risk governance and policies to the Finance and Risk Committee and to ensure these are aligned with the Fund's charitable and strategic objectives. The Committee is required to meet at least biannually and met three times during 2021 to implement the Fund's financial strategy.

The Trustees delegate authority to the Committee to approve budgeted expenditure in excess of £50,000 and major single items of unbudgeted expenditure to a maximum of £50,000, subject to an annual limit of £200,000. Details of all significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

THE GRANTS COMMITTEE

The Trustees delegate the disbursement of grants to the Grants Committee. The Grants Committee is required to meet at least biannually and met virtually to consider awards on three occasions during 2021.

The Fund Trustees have delegated authority to award single grants up to £50,000 within the limits of their annual budget to the Committee. Details of Committee-considered grants are presented to the Trustees at every Trustee meeting.

Grants are awarded throughout the RAF to a diverse range of projects which support the serving RAF community and their immediate support networks. Where possible, a contribution is made by capital project applicants and all requests for funding must be supported by an application which includes details of project delivery, maintenance costs and a realistic business case where applicable.

The Fund seeks to work closely with other Service charities such as the Nuffield Trust, the RAF Benevolent Fund, the RAF Charitable Trust and the Royal Air Forces Association to provide maximised benefit to the serving RAF community. For projects that benefit personnel across multiple services, the Fund works closely with the Army and Navy charities to ensure inclusivity across Defence.

THE REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the remuneration of the Fund's senior management and employees.

The Remuneration Committee provides recommendations to the Board of Trustees with regards to all employee remunerations, including key management personnel, based on annual review of sector benchmarks. The Committee remain cognisant of the Fund's intent to attract and retain talented and committed employees who can help the Fund realise its objectives to maximise support to RAF personnel both now and into the future. To achieve this, the Remuneration Committee seeks to ensure salaries reflect the appropriate market rate of pay for a comparable job in the relevant job market and are subject to regular review to ensure employee rewards remain appropriate.

THE INVESTMENT COMMITTEE

The Investment Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the Funds' investments.

The Committee is established to oversee the Fund's investment governance, including philosophy, risk appetite and policies, and ensure these are aligned with the Fund's charitable and strategic objectives. The Trustees authorise the Committee to monitor the Fund's investments against the Fund's investment philosophy, risk appetite and policies.

ROYAL AIR FORCE CENTRAL FUND TRADING LTD

The Fund has one wholly owned subsidiary, RAF Central Fund Trading Ltd, which became active in 2018, details of which can be found at the back of this report.

SENIOR LEADERSHIP TEAM

2021 was a year of consolidation for the senior leadership team with the team working exceptionally well together to ensure that the Fund continued to serve its beneficiaries in a changing and challenging environment. Following the departure of Chris Coopman, the Fund successfully recruited a new Finance Manager and Angelique Lyon has integrated herself well into the team.

The Fund's internal procedures and policies were reviewed and, where necessary, adapted to suit the new environment that beneficiaries and colleagues found themselves in during 2020 and 2021. Following Government guidance, the team continued to work predominantly from home and the senior leadership team ensured that the conditions, culture and resources were available to ensure that this new way of working worked for both colleagues and beneficiaries. Consultations with the team and feedback from beneficiaries strongly indicates that needs from both parties were met.

The senior leadership team also worked well to bring the new initiatives and support programmes detailed in previous pages to the Fund's beneficiaries in a very short space of time. This resulted in more people being supported sooner.

RISK MANAGEMENT

The Trustees reviewed the major risks facing the Fund within the annual business planning process and continue to identify significant risks to the Fund, implementing procedures to both mitigate risk and to minimise potential impact should they materialise. In addition to the existing ones, the Trustees identified the following as a new risk facing the Fund for 2020/21:

- A misuse of data resulting in an ICO investigation and / or reputational loss

This risk is being mitigated by regular training of all team members and the implementation of processes that follow the ICO guidelines for good practice. The data controller receives ICO updates and passes these on to the team as part of the ongoing training.

BREXIT IMPACT

Whilst exiting from the EU has continued to contribute to market volatility, it has yet to impact on the regulatory environment. The Fund reviewed its Investment Strategy to mitigate the effect on investments following the decision to leave the EU and will seek to keep up to date with the latest developments in the regulatory environment.

COVID-19 IMPACT

The Trustees together with the Executive team considered the possible risks of Covid-19 and put in place measures to maintain income, examine new ways of supporting beneficiaries and protect the team. Now that we are transitioning to a post-pandemic environment, the Fund has closed the office space at Naphill and moved to a blended-working environment using the property portfolio for team meetings. The Fund still implements processes designed to reduce the transmission of Covid-19 and provides the processes, resources and culture needed for the team to be comfortable, safe, and supported whilst working from home.

INFLATION

The 2022 budget was set in late Q3 2021 using Consumer Price Index which at the time was forecasting circa 2%. Since the time of writing, this level has been significantly surpassed and the Trustees have added excessive inflation to the risk register and, with the Executive, set in place a series of measures to mitigate this risk.

2021

LEGAL STATUS AND ORGANISATION

CONSTITUTION

The Fund is a registered charitable company limited by guarantee, a company registered in England and Wales 8555984, charity registered in England and Wales 1152560 and a charity registered in Scotland SC044299.

The Fund is governed by its Board of Trustees as established within its Memorandum and Articles of Association dated 4 June 2013 (as adopted by a special resolution passed as a written resolution on 29 March 2019). The Articles determine that the Board must consist of a minimum of three Trustees with a condition that a Serving Trustee cannot be appointed to the Board unless the number of non-Serving Trustees is at least equal to the number of Serving Trustees subsequent to the appointment.

Trustees are appointed by election at a Board General Meeting for a three-year term and can serve no more than three consecutive terms. A quorum of Trustees is required for the transaction of business which consists of at least two Non-Serving Trustees and two Serving Trustees unless there is only one Non- Serving Trustee appointed, whereby a quorum is one non-Serving and one Serving Trustee.

Trustees have established a clear policy and procedures for dealing with conflicts and the authorisation thereof, in accordance with Charity Commission guidelines.

TRUSTEE INDUCTION AND TRAINING

All new trustees receive a personalised induction programme. The programmes are designed to cover the key strategic aims of the Charity, its operational framework, its finances and future plans. The induction additionally provides details of the Charity's regulatory and statutory reporting requirements, including those of the Charity Commission, OSCR and Companies House.

The Trustees are invited to an annual 'Away-Day' during which they review any significant updates of regulatory or governance importance. Trustees are expected to have visited all of the Fund's properties within twelve months of appointment and are invited to attend a Grants Committee and Finance and Risk Committee meeting within the first year of appointment.

Trustees are additionally invited to attend internal and suitable external Trustee training courses to ensure an appropriate and on-going understanding is maintained within the Board with regards to significant issues such as: governance; the role and responsibilities of the Trustees; understanding charity finance and investments; identifying and managing risks and strategic planning.

TEGIVA
ROYAL AIR FORCE
Engineering
40
DARREN BERRIS
750
Jonathan Elsey

FINANCIAL REVIEW

LONG TERM INCOME PROTECTION

The investment strategy that has been put in place seeks to protect in real terms the value of the investment portfolio at a level that will be able to deliver the desired income stream to finance expected annual expenditure. This strategy is reviewed every three years against forecast yields and estimated income needs.

DIRECT COSTS

Direct costs have routinely been met from unrestricted investment income generated in the year of application. Trustees have therefore been content to maintain zero unrestricted reserves. The balance of the expendable endowed fund at year-end was £44,020,304 (2020: £40,374,922), of which £42,377,397 (2020: £39,574,193) represented invested funds.

The Fund has the following designated funds:

- RAF Central Fund Vine Lane, RAF Central Fund Danesfield and Feshiebridge Lodges - Funding generated by activities at the three respective sites which is deemed by the Trustees as required to support their respective on-going maintenance and activities.

- Sports Lottery Fund - Funds designated for future utilisation for the benefit of sport in the RAF.

- Contingency: RAF Sports Board Pension Fund - At the 2021 year-end there is sufficient uncertainty with regards to the exact status of the Fund's pension situation to deem it inappropriate to recognise a provision for future payments in respect of past service of former employees.

The Fund has the following restricted fund:

- Mechanics Endowment Fund - Funds whereby expenditure is restricted for the benefit of RAF trainees, especially those in the engineering disciplines.

FINANCIAL RESERVES

The application of the long-term income protection policy has historically allowed the Fund to maintain the expendable endowment fund at a level whereby the Trustees have been able to apply a policy of meeting direct expenditure through application of the investment income generated.

To generate income to support the enrichment grants programme and Fund administrative, governance and support costs and being cognisant of specialist advice regarding investment income returns, the Board deem it appropriate and necessary to maintain invested reserves at a level of approximately £45 million within total reserves of approximately £48 million.

At the year-end the Fund held total reserves of £48,146,066 including invested reserves of £45,125,897. The Trustees are content that the closing 2021 reserves balance of £48,146,066 is appropriate, given the current fluidity in the investment markets and economic climate.

The reserves policy is subject to annual review. The balance sheet confirms that the Fund has adequate working capital to meet any obligations as they fall due.

2021

PLANS FOR FUTURE PERIODS

The core vision of the Fund, to support and enrich the lives of those serving in the RAF today and on an enduring basis, continues to underpin the strategic and operational direction of the Fund. As the Board of Trustees continue to refine and prioritise the direction of the Fund, our central mission and vision remains; to enable all serving RAF personnel to access sporting opportunities and physical activities with the aim of developing their full potential.

Within this wide-reaching objective the following aims have been defined as the next steps of the Fund's strategy and fundamental for the period ending 2022:

- **EVALUATE THE IMPACT OF THE FUND'S PROGRAMMES AND PROCESSES ON SERVING PERSONNEL**

1. Following on from the 2020 survey to understand the challenges that service life poses on accessing sports and physical activity, we will continue the review of our Individual Sports Grant programme to ensure that it remains impactful, relevant and helps to address some of the challenges raised. This work will complete in 2022.
2. We will continue to implement three-year funding strategy that will allow the Sports Associations greater visibility of their funding over the medium term. The approach will also involve a closer working relationship with Directorate of RAF Sport of and the Sports Federation so that the three agencies are better aligned and speaking with 'one voice'. Administration will be reduced for all stakeholders and financial efficiencies will inevitably be found through smarter working practices.

- **INCREASE AWARENESS AND PARTICIPATION OF THE SPORTS LOTTERY**

The marketing activities for 2022 will continue to be focused on strategies and campaigns to reach new players from traditional and non-traditional markets.

- **PARTNER WITH OTHER CHARITIES TO IMPROVE THE FUND'S REACH AND CLOSE FUNDING GAPS THROUGH JOINT VENTURES**

We will explore opportunities to collaborate with other charities specifically in respect of our revenue generating assets (investments, Lottery and property) in order to create mutually beneficial outcomes.

- **DEVELOP CLOSER RELATIONSHIPS WITH STATIONS TO MAXIMISE AWARENESS OF THE AVAILABLE SUPPORT**

The Fund aims to launch a Station Ambassador programme that will strengthen ties and communication between the Fund and RAF stations. We will continue to fund stations through the enrichment programme and explore ways of increasing that funding pot. New initiatives that increase our reach to non-sporting personnel will also be examined.

- **INVESTIGATE ADDITIONAL REVENUE STREAMS**

The Fund will continue to develop its new fundraising stream whilst exploring new revenue opportunities that sit in line with its objectives.

2020

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the Trustees (who are also directors of the Royal Air Force Central Fund for the purposes of company law) to prepare financial statements that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its deficit for the financial year. In doing so the Trustees are required to:

- Select suitable accounting policies and apply them consistently.
- Make sound judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards and Statements of Recommended Practice 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 will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006.

The Trustees are also responsible for the safeguarding of the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Company law, the Fund's Trustees certify:

- There is no relevant audit information of which the Fund's auditors are unaware.
- The Trustees of the Fund have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of the information.

RAF Central Fund complies with the Fundraising Standards Board Requirements and only utilising agencies that are compliant with the Fundraising Regulations. We aim to meet the highest standards so that supporters and volunteers give and fundraise for the Fund with confidence. No complaints have been received in respect of fundraising during 2021.

AUDITORS

Mazars LLP acted as the Fund auditors during the year.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The Trustees' and Strategic Report for the year ended 31 December 2021 was approved by the Trustees in their capacity as the Company Directors and signed on behalf of the Trustees:

Group Captain M Williams
Trustee and Chair of the Finance and Risk Committee

Dated: 25 July 2022

2021

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

Opinion

We have audited the financial statements of Royal Air Force Central Fund ('the parent charity') and its subsidiary ('the group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2021 and of the group's 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

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

- adequate and proper 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 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 set out on page 50, the trustees (who are also the directors of the parent charity 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's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering and non-compliance with implementation of government support schemes relating to COVID-19.

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

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

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006 and the Charities Statement of Recommended Practice.

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

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

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

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

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

Use of the audit report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

N J Wakefield

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 22nd September 2022

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 December 2021

	Note	Unrestricted Fund	Designated Fund	Expendable Endowment Fund	Restricted Fund	Total 2021	Total 2020
		£	£	£	£	£	£
Income	1,2						
Donations		134,506	45,000	-	-	**179,506**	174,614
Charitable Activities		2,119	96,775	-	-	**98,894**	525,344
Trading Activities		239,123	2,879,821	-	-	**3,118,944**	3,804,682
Investment Income		740,715	506	-	13	**741,234**	632,202
Other Income		28,312	-	-	-	**28,312**	1,000
Total Income		**1,144,775**	**3,022,102**	-	**13**	**4,166,890**	5,137,842
Expenditure	3						
Charitable Activities		1,332,311	1,682,091	-	34,276	**3,048,678**	2,369,974
Raising Funds							
Sports Lottery Operations & Fundraising Trading		6,401	1,221,237	-	-	**1,227,638**	1,434,443
Trading Activities		59,162	-	-	-	**59,162**	99,976
Investment Management Costs		-	-	293,427	-	**293,427**	339,197
Total Expenditure		**1,397,874**	**2,903,328**	**293,427**	**34,276**	**4,628,905**	4,243,590
Net gains on investments		-	-	3,838,484	-	**3,838,484**	872,755
Net Expenditure/(Income)		**-253,099**	**118,774**	**3,545,057**	**-34,263**	**3,376,469**	1,767,007
Transfers between Funds		253,099	-353,424	100,325	-	**-**	-
Net Movement in Funds		**-**	**-234,650**	**3,645,382**	**-34,263**	**3,376,469**	1,767,007
Total Funds Bought Forward		-	3,819,692	40,374,922	574,983	**44,769,597**	43,002,590
Total Funds Carried Forward		-	3,585,042	44,020,304	540,720	**48,146,066**	44,769,597

Consolidated and Charity Balance Sheets as at 31 December 2021

	Note	**Group Total 2021** £	Group Total 2020 £	**Charity Total 2021**	Charity Total 2020
Fixed Assets:					
Intangible Assets	8	**21,506**	30,601	**21,506**	30,601
Tangible Assets	9	**1,733,337**	1,805,499	**1,733,337**	1,805,499
Heritage Assets	9	**47,016**	47,016	**47,016**	47,016
Investments	10	**45,125,897**	41,991,679	**45,125,897**	41,991,679
Total Fixed Assets		**46,927,756**	43,874,795	**46,927,756**	43,874,795
Current Assets:					
Debtors	11	**512,125**	1,024,980	**432,290**	262,199
Cash at Bank and in Hand		**2,256,047**	1,607,795	**2,056,462**	1,536,093
Investments	10	**-**	-	**-**	-
Total Current Assets		**2,768,172**	2,632,775	**2,488,752**	1,798,292
Creditors: Amounts Falling due Within One Year	12	1,549,862	1,737,973	1,455,695	1,644,527
Net Current Assets		**1,218,310**	894,802	**1,033,057**	153,765
Total Assets less Current Liabilities		**48,146,066**	44,769,597	**47,960,813**	44,028,560
Net Assets		**48,146,066**	44,769,597	**47,960,813**	44,028,560
Reserves	13				
Expendable Endowment Fund		44,020,304	40,374,922	43,835,051	39,633,885
Designated Funds		3,585,042	3,819,692	3,585,042	3,819,692
Restricted Funds		540,720	574,983	540,720	574,983
Total Funds		**48,146,066**	44,769,597	**47,960,813**	44,028,560

The financial Statements have been prepared in accordance with the special provisions of the companies Act 2006 relating to small companies.

The Financial Statements on Pages 56-74 were approved by the board of Trustees on 25 July 2022 and were signed on their behalf by:

Group Captain M Williams

Trustee and Chair of the Finance and Risk Committee

Consolidated Statement of Cash Flows for the year ended 31 December 2021

	2021 £	2020 £
Cash flow from Operating Activities		
Net cash used in operating activities	-456,181	-133,890
Cash flows from Investing Activities:		
Dividend Receipts	741,234	632,202
Investment management costs	-293,427	-339,197
Fixed assset Additions	-29,135	-114,912
Intangible fixed asset additions	-18,505	-10,631
Proceeds from Sale of Investments	39,989,015	12,746,840
Payment to Purchase Investments	-39,284,749	-12,563,107
Net cash provided by investing activities	1,104,433	351,195
Change in Cash & Cash Equivalents	648,252	217,305
Cash & Cash Equivalents at 1 January	1,607,795	1,390,490
Cash & Cash Equivalents as at 31 December	**2,256,047**	**1,607,795**

Notes to the Cash Flow Statement

Reconciliation of net income to net cash flow from operating activities	2021 £	2020 £
Net income for the period	3,376,469	1,767,007
Adjustment for:		
(Gains)/Loses on Investments	-3,838,484	-872,755
Investment Income	-741,234	-632,202
Investment Management Fees	293,427	339,197
Depreciation/Amortisation	128,896	83,372
Decrease/(Increase) in Debtors	512,855	-743,968
(Decrease)/Increase in Other Creditors	-188,110	-74,541
Net Cash used in operating activities	**-456,181**	**-133,890**

Analysis of Cash & Cash Equivalents

	31 December 2020 £	Cash flow £	31 December 2021 £
Cash in hand	1,607,795	648,252	2,256,047
Total Cash & Cash Equivalents	**1,607,795**	**648,252**	**2,256,047**

Notes to the Financial Statements for the Year to 31 December 2021

Principal Accounting Policies 2021

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom, the Accounting Regulations issued under the Charities Act 2011, the Statement of Recommended Practice: “Accounting and Reporting by Charities (FRS102)" and the Companies Act 2006. A summary of the significant accounting policies is set out below.

The RAF Central Fund meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The Trustees consider it appropriate for these accounts to be prepared on the going concern basis.

The trustees have reviewed detailed cash flow projections to 31 July 2023 and have agreed detailed budgets for the year ended 31 December 2022. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the Fund is to support current RAF personnel through individual grants and grants to the sports associations, the level of this necessary expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Historical Cost Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market values and are in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (FRS102)”, applicable Accounting Standards and the Charities Act 2011.

Consolidation

The wholly owned trading subsidiary of the Royal Air Force Central Fund, the Royal Air Force Central Fund Trading Ltd (company number: 08747522) became non-dormant in 2018. On this basis, the financial statements are consolidated.

Income

Investment income is accounted for when received and comprises dividend income and interest on cash deposits. Income from Gilts is accounted for net of any previously incurred transaction costs.

Endowed grants are funds returned to the charity following the rare occurrence of a closure of an RAF unit and are recognised as soon as receipt is probable and the value of the returned grant monies can be reliably measured.

Other income is recognised on an accruals basis in accordance with the income recognition requirements of FRS102.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the charity to make payment. All costs have been directly attributed to the functional categories of expenditure in the Statement of Financial Activities.

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Costs of raising funds includes investment manager's fees, the costs of running the RAF Sports Lottery, including prizes and the costs incurred in marketing the Sports Lottery.

Notes to the Financial Statements for the Year to 31 December 2021

Expenditure (continued)

Charitable activities consists of grant awards and associated direct and indirectly allocated support costs. Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient.

Support costs consist of salary and other expenditure incurred to facilitate the administration and governance of the charity. Support costs are directly attributed to activities where it is possible to allocate to the activity on a basis of use of resource. Where it is not possible to directly attribute support costs, these are apportioned by the estimated percentage of time utilised by employees on each activity.

Taxation Status

The charity is exempt from corporation or income taxation based on the charity applying all of its income and gains for wholly charitable purposes.

Intangible Fixed Assets

Intangible Fixed assets are measured at cost less accumulated amortisation.

Software development costs are recoginsed as an intangible asset when all of the following criteria are demonstrated:

- How the software will generate probable future economic benefits;
- The availability of adequate resources to complete the development and use the software;
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The intangible assets are amortised over the following useful economic lives:

Software development costs 2 years

Intangible assets are not subject to amortisation in the year of recognition, with a full year charged each period thereafter.

Notes to the Financial Statements for the Year to 31 December 2021

Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Due to the unique nature of the charity's properties, they are held at carrying value as there is no available market value or methodology to reliably measure their fair values. The Trustees consider that the realisable value of the property is well in excess of its carrying value and accordingly any depreciation charge is immaterial.

It is the Fund's policy to capitalise all assets with a combined purchase value in excess of £5,000.

Depreciation is calculated on a straight line basis across the expected useful life of the asset class:

Website and Application Development	2 years
Computers and Information Technology	3 years
Fixtures & Fittings	10 years
Buildings	30 years

Depreciation is not charged in the year of acquisition, with a full year charged in the year of disposal.

The charity owns a number of items of heritage silverware, including the Fincastle Trophy and Gill Sword which are loaned to RAF Messes, units and individuals to promote and support esprit de corps. These items hold significant cultural importance to the Royal Air Force and are capitalised in the accounts in line with their insurance valuation and are not depreciated due to the enduring life scale. The Fund additionally owns two paintings which hang in the Ministry of Defence building in London.

Investments and Gains and Losses on Investments Assets

Quoted investments and investment property are stated at market value at the balance sheet date.

Gains and losses arising on investment assets, both through sale and changes in valuation, are taken to the Statement of Financial Activities in the year they occur. Gains include cash rebates received by the charity for retail investment management fees arising from holding in-house funds; the charity pays institutional investment management fees based on the capital value of the charity's investment portfolio.

Funds Structure

The expendable endowment fund represents the original capital of the charity. This is maintained wherever possible. Income from the endowment fund is unrestricted.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

The restricted fund represents the Mechanics Fund. These funds may only be used for the benefit of trainees, especially those in the engineering disciplines.

Pensions

The Fund operates a defined contribution workplace pension scheme for the benefit of all eligible employees. The assets of the scheme are administered by an independent pension provider, with employer pension payments recognised as an expense during the year of payment.

Prior to March 2014 the charity made contributions towards the costs of pensions being paid to previous past employees of a by analogy Principal Civil Service Pension Scheme (PCSPS). Entry to the scheme is closed to new employees of the charity. In line with HM Treasury guidance, the charity accounted for the contributions in the Statement of Financial Activities in the year in which they were incurred.

Following the transfer in March 2014, the obligation to meet these contributions as they fall due vests with the RAF Sports Board.

Notes to the Financial Statements for the year-ended 31 December 2021

Note 1 Statement of Financial Activities Analysis for the year-ended 31 December 2020

	Unrestricted Fund	Designated Fund	Expendable Endowment Fund	Restricted Fund	Total 2020
	£	£	£	£	£
Income					
Donations	104,889	40,060	-	29,665	**174,614**
Charitable Activities	729	524,615	-	-	**525,344**
Trading Activities	891,120	2,913,562	-	-	**3,804,682**
Investment Income	631,477	337	-	388	**632,202**
Other Income	1,000	-	-	-	**1,000**
Total Income	**1,629,215**	**3,478,574**	-	**30,053**	**5,137,842**
Expenditure					
Charitable Activities	464,775	1,861,535	-	43,664	**2,369,974**
Raising Funds					
Sports Lottery Operations & Fundraising Trading	-	1,434,443	-	-	**1,434,443**
Trading Activity	99,976	-	-	-	**99,976**
Investment Management Costs	-	-	339,197	-	**339,197**
Total Expenditure	**564,751**	**3,295,978**	**339,197**	**43,664**	**4,243,590**
Net gains on investments	-	291	872,464	-	**872,755**
Net Income/(Expenditure)	**1,064,464**	**182,887**	**533,267**	**-13,611**	**1,767,007**
Transfers between Funds	-1,064,464	-138,612	1,203,076	-	**-**
Net Movement in Funds	-	**44,275**	**1,736,343**	**-13,611**	**1,767,007**
Total Funds Bought Forward	-	3,775,417	38,638,579	588,594	**43,002,590**
Total Funds Carried Forward	-	3,819,692	40,374,922	574,983	**44,769,597**

Note 2 Income

	Analysis	2021 £	2020 £
Donations	Donations	**179,506**	154,054
	Government Grant	**-**	20,560
	Total	**179,506**	174,614
Charitable Activities	Returned Grants	**98,894**	525,344
	Hire of Fund Welfare Facilities	**-**	**-**
	Total	**98,894**	525,344
Trading Activities	Lottery Ticket Sales	**2,879,821**	2,913,562
	Other Trading Income	**239,123**	891,120
	Total	**3,118,944**	3,804,682
Investment Income	Dividends on Investments	**741,234**	632,202
	Investment Dividend Tax Reclaims	**-**	**-**
	Total	**741,234**	632,202
Other Income	Miscellaneous Receipts	**28,312**	1,000
	Creditor Write-off	**-**	**-**
	Total	**28,312**	1,000

All Amounts relate to unrestricted income with the exception of £13 (2020: £388) of investment income which is allocated to restricted funds

Note 3 Expenditure

	Analysis	2021 £	2020 £
Raising Funds	RAF Sports Lottery Operations	**1,221,237**	1,434,443
	Fundraising Activity	**6,401**	-
	Investment Management Fees	**293,427**	339,197
	Trading Company Activity	**59,162**	99,976
	Total	**1,580,227**	1,873,616
Charitable Activities*	Enrichment Facilities and Projects	**248,876**	176,723
	Sports Association Grants	**1,207,114**	1,167,113
	Development Through Sports Grants	**474,977**	711,127
	Sports Facilities	**429,205**	309,110
	Grants to Service Support Charities	**688,506**	5,901
	Total	**3,048,678**	2,369,974

* See Note 4 for analysis of support costs

Note 4 Support Costs

	Raising Funds £	Charitable Activity £	**Total Cost 2021 £**	Total Cost 2020 £
Staff Costs	102,737	367,241	**469,978**	466,489
Other Costs	51,635	184,571	**236,206**	197,457
Total	154,372	551,812	**706,184**	663,946

The support cost elements of staff and other expenses have been attributed on a basis consistent with the use of resources. Where costs cannot be allocated directly to activities, they are apportioned by the estimated percentage of time spent by each employee on each activity.

Support costs are included in the overall expenditure totals for each activity at Note 3.

Note 5 Audit Fees

	2021 £	2020 £
Auditors' Fees for Reporting on the Accounts - Charity	**14,400**	13,800
Auditors' Fees for Reporting on the Accounts - Trading Subsidiary	**1,800**	1,740
Other fees payable to auditors	**6,110**	4,024
Total	**22,310**	**19,564**

Note 6 Trustees & Employees

6.1 Staff Costs	**2021 £**	2020 £
Wages and Salaries	**422,411**	420,479
Employer's National Insurance Costs	**39,401**	37,656
Employer's Pension Costs	**8,165**	8,354
Total Staff Costs	**469,977**	466,489

Note 6.1 (continued)

During 2021 the Fund didn't use the services of temporary members of staff.(2020: £20,347, temporary staff costs were recognised within support costs and allocated to Activities).

1 employee earned between £60,001 and £70,000 during the period (2020: 1).
1 employee earned between £100,001 and £110, 000 during the period (2020: 1, 110,001 and 120,000).

The Fund made payment to its key management personnel of £177,244 during 2021 (2020: £178,063).

6.2 Average Headcount

	2021 Average	2020 Average
Full-Time	**9.60**	10.30
Part-Time	**2.30**	2.00
Total	**11.90**	12.30

6.3 Payments to Trustees

Trustees neither received nor waived any emoluments during 2021 (2020: £nil). No out of pocket expenses were reimbursed to Trustees. (2020: £Nil).

Note 7 Grants

	Grants 2021 £	**Support Costs 2021 £**	**Total Grants 2021 £**	**Total Grants 2020 £**
Enrichment Facilities and Projects	68,906	179,970	**248,876**	**176,724**
Sports Association Grants	1,068,051	139,063	**1,207,114**	**1,167,113**
Development Through Sports Grants	372,511	102,466	**474,977**	**711,126**
Sports Facilities	302,445	126,760	**429,205**	**309,110**
Grants to Service Support Charities	684,953	3,553	**688,506**	**5,901**
Total	**2,496,866**	**551,812**	**3,048,678**	**2,369,974**

Note 7 Grants (continued)

Grants made to Institutions

Grants Institutions with a value in excess of £25,000 are shown individually:

	Grant Award 2021 £	Grant Award 2020 £
RAF Akrotiri	**53,000**	3,864
RAF Benson	**39,586**	-
RAF Boulmer	**54,027**	14,255
RAF Brize Norton	**64,935**	13,200
RAF Coningsby	**38,480**	49,670
RAF Cosford	**55,785**	49,670
RAF Cranwell	**29,316**	3,941
RAF Halton	**54,399**	-
RAF High Wycombe	**33,996**	15,000
RAF Honington	**38,300**	7,170
Deployed Forces	**91,873**	48,488
RAF Leeming	**33,500**	1,590
RAF Lossiemouth	**38,600**	3,360
RAF Marham	**30,258**	14,272
RAF Odiham	**69,500**	-
RAF Valley	**32,650**	-
RAF Waddington	**38,800**	5,761
RAF Wittering	**29,000**	-
RAF Angling Association	**51,341**	46,193
RAF Bobsleigh, Luge and Skeleton Association	**106,960**	117,375
RAF Equitation	**33,880**	8,708
RAF Football Association	**32,555**	35,968
RAF Gliding & Soaring Association	**36,857**	26,779
RAF Golf Association	**34,599**	44,220
RAF Microlight Flying Sports Association	**25,850**	19,450
RAF Motor Sports Association	**92,241**	75,376
RAF Rugby Union Association	**10,200**	28,312
RAF Sailing Association	**89,875**	78,819
RAF Ski Championships	**-**	37,461
RAF Small Arms Association	**53,645**	49,536
RAF Sports Parachuting Association	**18,877**	26,510
RAF Swimming Association	**38,194**	36,930
RAF Waterski & Wakeboard Association	**25,111**	27,856
RAF Winter Sports Association	**51,171**	95,818
Others	**473,100**	477,687
Other stations grants from Gift aided profit	**154,500**	-
Total Grants	**2,154,961**	1,387,643

During the year 1,536 Grants were made to Individuals (2020:1,548) at a value of £341,905 (2020:£483,513) to enable access to sport and physical activity.

During the year Grants amounting to 684,953 were made to Stations from the gift Aided profit of the Trading company.

Note 8 Intangible Fixed Assets

	Software Development
	£
Cost bought forward at 1 Jan 21	94,524
Additions	18,505
Disposals	-69,642
Cost carried forward at 31 Dec 21	**43,387**
Amortisation bought forward at 1 Jan 21	63,923
Provision for Year	27,600
Released on disposal	-69,642
Amortisation carried forward at 31 Dec 21	**21,881**
Net Book Value bought forwards at 1 Jan 21	30,601
Net Book Value carried forwards at 31 Dec 21	**21,506**

Note 9 Tangible Fixed Assets

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Total
	£	£	£	£	£
Cost bought forward at 1 Jan 21	1,661,484	53,707	225,663	47,016	1,987,870
Additions	-	4,124	25,011	-	29,135
Disposals	-	-28,489	-14,610	-	-43,099
Cost carried forward at 31 Dec 21	**1,661,484**	**29,342**	**236,064**	**47,016**	**1,973,906**
Depreciation bought forwards at 1 Jan 21	46,553	26,708	62,095	-	135,356
Provision for year	49,665	22,679	28,952	-	101,296
Released on disposal	-	-28,489	-14,610	-	-43,099
Depreciation carried forwards at 31 Dec 21	**96,218**	**20,898**	**76,437**	-	193,553
Net Book Value bought forwards at 1 Jan 21	1,614,931	26,999	163,568	47,016	1,852,514
Net Book Value carried forwards at 31 Dec 21	**1,565,266**	**8,444**	**159,627**	**47,016**	**1,780,353**

Freehold land and buildings consists of the charity's properties at: Vine Lane; Danesfield and Feshiebridge Lodge.

The Fund additionally owns the Halton Tennis Centre. In 2007 the Trustees signed a 999 year agreement to lease the Centre to the RAF Lawn Tennis Association. The agreement places the responsibilities for the maintenance, insurance and upkeep of the property with the Association as the tenant. In accordance with FRS102, the carrying value of the Halton Tennis Centre, being the cost of purchase of the Centre from the Secretary of State in 2007 of £255,200 is not recognised in the financial statements as the charity has no rights or responsibilities with regards to the property until the lease completes in 3006.

Vine Lane was donated to the Fund on 1 July 1964 and is currently utilised under licence from the Fund by the RAF Cricket Association as the Home for Sport for RAF Cricket.

The land at Danesfield was originally purchased in conjunction with the Nuffield Trust for the Forces of the Crown ('the Nuffield Trust'). The site was wholly made over to the Fund under a deed dated March 1982, with the Fund acquiring the totality of the site for a cost of £26,300. The site is currently utilised under licence from the Fund by the RAF Rowing and Canoeing Associations as the Homes for Sport for RAF Rowing and Canoeing and by 22 Group (RAF) to provide facilities for force development and adventurous training for RAF personnel.

Feshiebridge Lodge was purchased in 1989 for £139,187. The asset has been included in the balance sheet at £139,187. Originally purchased as an adventure training centre, the Lodge is now wholly focussed on providing an enrichment welfare and recreational centre for personnel and their families. Work was completed on the site in 2020. Costs incurred were £1,489,947.

Note 10 Investments

10.1 Fixed Assets Investments	2021 £	2020 £
Carrying value bought forward	41,991,679	41,037,158
Additions to investments at cost	39,284,749	12,563,107
Disposals at carrying value	-39,989,015	-13,152,870
Realised gain/(loss) on sale	1,432,767	-710,114
Unrealised revaluation movement	2,405,717	2,254,398
Carrying value carried forward	**45,125,897**	41,991,679
Historic cost as at 31 December	**42,906,801**	41,911,395

10.2 Analysis of Investments	Market value 31 December 2021 £	Market value 31 December 2020 £	Income from Investments 2021 £	Income from Investments 2020 £
Allianz Portfolio Investments	**-**	31,871,281	**162,520**	555,103
Mechanics Fund Investments	**566,720**	614,762	**13**	388
Blackrock Charinco Common Investment Fund	**15,328**	15,327	**506**	337
Insight Global ABS Fund	**5,265,056**	4,896,183	**116,131**	76,374
Savills - Charities Property Fund	**4,180,367**	3,783,821	**154,822**	-
Marathon - Distressed Credit Fund	**1,639,830**	402,960	**-**	-
Ardevora	**1,517,888**		**-**	-
Baillie Gifford	**1,444,214**	-	**7,204**	-
LGIM	**13,311,297**	-	**100,125**	-
Barings	**6,323,110**	-	**199,914**	-
Beachpoint	**5,802,757**	-	**-**	-
Knightsbridge	**309,330**	-	**-**	-
JP Morgan -IIF Uk 1	**4,750,000**	-	**-**	-
Cash held within Allianz Portfolio	**-**	407,345	**-**	-
Total	**45,125,897**	41,991,679	**741,234**	632,202

10.4 Material Investment Holdings

The following investments represent material holdings in excess of 5% of the portfolio at the period end within the total investment portfolio (excluding direct property investments):

	Market Value £	Percentage of Portfolio
Insight Global ABS Fund	**5,683,819**	**13%**
Savills - Charities Property Fund	**4,180,367**	**9%**
LGIM - International Index Trust	**13,311,297**	**29%**
Barings	**6,323,110**	**14%**
Beachpoint	**5,802,757**	**13%**
JP Morgan - IIF UK 1	**4,750,000**	**11%**

Note 11 Debtors and Prepayments

Group

Analysis of Debtors	**2021** £	2020 £
Trade Debtors	**109,318**	61,286
Prepayments and Accrued Income	**402,807**	963,694
Total	**512,125**	1,024,980

Charity

Analysis of Debtors	**2021** £	2020 £
Trade Debtors	**43,295**	12,801
Prepayments and Accrued Income	**388,995**	249,398
Total	**432,290**	262,199

Accrued income represents the net of monies collected by the charity's External Lottery Manager from RAF Sports Lottery players during December, not yet received by the Fund or utilised in play and the Investment dividends for Q4 2021, payable in Q1 2022

Note 12 Creditors and Accruals

Group

12.1 Analysis of Creditors falling due within one year	**2021** £	2020 £
Committee Grant Creditors	**118,043**	142,923
Sports Grant Creditors	**1,032,595**	1,052,184
Tax and Social Security Creditors	**11,672**	14,507
Accruals and Deferred Income	**301,062**	461,050
Other Creditors	**86,490**	67,309
Total	**1,549,862**	1,737,973

Charity

12.1 Analysis of Creditors falling due within one year	2021 £	2020 £
Committee Grant Creditors	**118,043**	142,923
Sports Grant Creditors	**1,032,595**	1,052,184
Tax and Social Security Creditors	**11,672**	13,273
Accruals and Deferred Income	**234,538**	382,683
Other Creditors	**58,847**	53,464
Total	**1,455,695**	1,644,527

Note 13 Funds

13.1 Funds Held

Fund Name	Type	Purpose and Restrictions
Expendable Endowment	Expendable Endowment	Expendable Endowment for RAF Central Fund - Unrestricted.
Mechanics Fund	Restricted	Monies transferred into the RAF Central Fund upon close of the Mechanics Endowment Fund. Restricted for the benefit of RAF trainees, especially those in the engineering disciplines.
Vine Lane	Designated	Funds generated to support the ongoing maintenance and activities at Vine Lane.
Feshiebridge Lodge	Designated	Funds generated to support the ongoing maintenance and welfare activities at Feshiebridge Lodge.
Danesfield	Designated	Funds generated to support the ongoing maintenance and activities at Danesfield.
RAF Sports Board Pension Fund	Designated	Funds transferred from unrestricted funds to support potential future payments to RAF Sports Board pensioners (see additionally note 14).
Sports Lottery Fund	Designated	Income generated through the RAF Sports Lottery designated for distribution to benefit RAF sports related grants.
Community Support Grants Fund	Designated	Monies transferred from unrestricted funds to support applications for funding enrichment projects of a significant capital nature.

Note 13.2 Funds

13.2 Movements of Major Funds

Fund Names	Fund balances bought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Fund balances carried forward £
General Reserves	-	1,144,775	-1,397,874	253,099	-	**-**
Expendable Endowment Fund	40,374,922	-	-293,427	100,325	3,838,484	**44,020,304**
Mechanics Endowment Fund	574,983	13	-34,276	-	-	**540,720**
Vine Lane Fund	96,493	-	-35,745	18,413	-	**79,161**
Feshiebridge Lodge Fund	1,527,826	505	-3,582	-23,132	-	**1,501,617**
Danesfield Fund	169,779	45,000	-32,083	-77,302	-	**105,394**
RAF Sports Board Pension Fund	405,299	-	-	-	-	**405,299**
Sports Lottery Fund	1,620,295	2,976,597	-2,831,918	-271,403	-	**1,493,571**
Total Funds	**44,769,597**	**4,166,890**	**-4,628,905**	**-**	**3,838,484**	**48,146,066**

Note 13 Funds

13.3 Transfers Between Funds

From Fund (Name)	To Fund (Name)	Reason	Amount
General Reserves	Expendable Endowment Fund	Support 2021 Grant Awards	253,099
Sports Lottery Fund	Expendable Endowment Fund	Support 2021 Grant Awards	271,403
Expendable Endowment Fund	Vine Lane Fund	Support 2021 Activities Vine Lane	18,413
Feshiebridge Lodge Fund	Expendable Endowment Fund	Support 2021 Activities Feshiebridge Lodge	-23,132
Expendable Endowment Fund	Danesfield Fund	Support 2021 Activities Danesfield	-77,302

13.4 Analysis of Net Funds

	Expendable Endowment £	Designated Funds £	Restricted Funds £	Total Funds £
Intangible Fixed Assets	-	21,506	-	**21,506**
Tangible Fixed Assets	252,212	1,528,141	-	**1,780,353**
Fixed Asset Investments	42,377,397	2,181,780	566,720	**45,125,897**
Net Current Assets	1,390,695	-146,385	-26,000	**1,218,310**
Total Net Assets	**44,020,304**	**3,585,042**	**540,720**	**48,146,066**

Note 14 Commitments and Contingent Liabilities

Prior to March 2014, the Fund made contributions towards the costs of pensions being paid to these past employees under a by analogy Principle Civil Service Pension Scheme ('PCSPS'). Under the terms of the 2014 transfer agreement, the enduring commitment to meet these contributions were transferred to the RAF Sports Board with effect from the date of the transfer. The Fund accounted for the scheme until March 2014 as if it were a defined contribution scheme in line with current HM Treasury guidance.

At the 2021 year-end there is sufficient uncertainty with regards to the exact status of the Fund's pension situation to deem it inappropriate to recognise a provision for future payments in respect of past service of former employees in the financial statements.

To ensure that optimal clarity is provided, the Trustees have designated funds at the year-end to a level they consider represent the best estimate of any potential constructive obligation relating to this matter.

Note 15 Endowed Grants

Historically the Fund has provided grant funding to support the introduction of any new Mess or Junior Rank Welfare Fund facilities. Grant funding has been provided on the basis that the unit has no power to convert the capital provided into income and that the grant funding provided is to be held indefinitely.

All entities granted these permanently endowed grant funds must invest and seek to maintain the grant at a value no less than the original endowed grant monies, subject to market value losses and deflation. Income generated from the invested funds are restricted to support the appropriate charitable activities of the associated Mess or Junior Ranks Welfare Fund.

Endowed grant funds are returned to the Fund only on the extremely rare occurrence of the closure of an RAF unit and its associated Messes and Junior Rank Welfare Funds. Due to the expectation that funds will be retained indefinitely at the units, the Fund considered these to represent contingent assets and hence no value is recognised in the financial statements.

The value of endowed grant funds held at units as at 31 December 2021 is deemed to be £2,291,660 (2020: £2,250,896).

Note 16 - Transactions with Related Parties

There are no outstanding related party transactions as at 31 December 2021.

Note 17 Subsidiary Entities

The results of the Fund's wholly owned subsidiary elements are within the Consolidated SOFA as follows

	2021	2020
	£	£
Income		
Trading Income	263,957	891,778
	-	-
Total Income	**263,957**	**891,778**
Expenditure		
Trading Activities	78,702	133,453
Total Expenditure	**78,702**	**133,453**
Net Result of Subsidiary	**185,255**	**758,325**

RAF Central Fund Trading Ltd
Company Number: 8747522

A company set up for the RAF Central Fund to conduct trading in support of its charitable objectives.

The inter-company balance owed to the Trading Company was £-6,619 (2020: £6,814).

During the year the Trading Company was re-charged £34,445 and charged the Fund £4,935.

Directors:
Dr Eamon Molloy
Gp Capt (Retd) Mark Williams
Mr John Michaelson
Mr Atul Hindocha
Wg Cdr Sarah Brewin
Mr Ross Perriam

Note 18- Outstanding Commitments

The Fund had no outstanding commitments as at 31 December 2021. (2020: £Nil)

THE ROYAL AIR FORCE CENTRAL FUND

England & Wales - Charity number 1152560

Accounts

THE ROYAL AIR FORCE CENTRAL FUND

ANNUAL REPORT

2020

Registered Company Number: 8555984 Charity Registered in England and Wales: 1152560
Charity Registered in Scotland: SC044299

CONTENTS

2 Trustees and Advisers for the Year Ended 31 December 2020

6 A message from the Chair

7 A message from the CEO

9 Trustees' Report for the Year Ended 31 December 2020

55 Independent Auditors' Report to the Trustees of the Royal Air Force Central Fund

58 Statement of Financial Activities for the Year ended 31 December 2020

59 Balance Sheet as at 31 December 2020

60 Statement of Cash Flows for the Year ended 31 December 2020

61 Principal Accounting Policies

64 Notes to the Financial Statements for the Year Ended 31 December 2020

TRUSTEES

Dr E Molloy	Chair
Warrant Officer J Crossley	
Mr J C Michaelson	
Mrs S Bridgeland	
Mrs A Farmery	
Group Captain M Williams	
Air Vice-Marshal J Ellis	
Group Captain C Baker	*appointed 17 April 2020*

FINANCE AND RISK COMMITTEE MEMBERS

Group Captain M Williams	Chair & Trustee Member
Group Captain A Portlock	
Squadron Leader K Tinkler	
Mr B Cartledge	
Wing Commander S Brewin	

GRANTS COMMITTEE MEMBERS

Warrant Officer J Crossley	Chair & Trustee Member
Group Captain J East	
Mr M Nurse	
Warrant Officer J Wall	
Warrant Officer S Cotman	
Squadron Leader G MacKay	
Warrant Officer M Ratten	
Warrant Officer J Alpert	
Squadron Leader I Shepherd	*resigned 20 May 2020*
Warrant Officer S Pullar	*resigned 17 September 2020*
Warrant Officer L Simpson	*resigned 25 February 2020*
Warrant Officer B Milner	*resigned 6 March 2020*
Squadron Leader S Patterson	*appointed 25 February 2020, resigned 19 June 2020*
Squadron Leader P Luckett	*appointed 25 February 2020*
Warrant Officer T Buxton	*appointed 8 October 2020*
Squadron Leader C Spear	*appointed 8 October 2020*
Warrant Officer A Whitton	*appointed 8 October 2020*
Squadron Leader R Causer	*appointed 8 October 2020*

REMUNERATION COMMITTEE MEMBERS

Mrs A Farmery	Chair & Trustee Member
Group Captain M Williams	Trustee Member
Warrant Officer J Crossley	Trustee Member

INVESTMENT COMMITTEE MEMBERS

Mr J C Michaelson	Chair & Trustee Member
Mrs S Bridgeland	Trustee Member
Group Captain M Williams	Trustee Member
Mr J Brown	appointed 27 October 2020

PRINCIPAL OFFICERS OF THE CHARITY

Mrs N Graske	Company Secretary
Mr R Perriam	Chief Executive Officer

REGISTERED ADDRESS

Hurricane Block
Headquarters Air Command
RAF High Wycombe
Buckinghamshire
HP14 4UE

PRINCIPAL OFFICE

Cournswood House
Clappins Lane
North Dean
Buckinghamshire
HP14 4NW

PROFESSIONAL ADVISORS

INVESTMENT ADVISORS

Allianz Global Investors Europe GmbH
199 Bishopsgate
London
EC2M 3TY

Insight Investment Global ABS Fund
160 Queen Victoria Street
London
EC4V 4LA

Lane Clark & Peacock LLP
95 Wigmore St
London
W1U 1DQ

INVESTMENT MANAGERS
Marathon Distressed Credit Fund, L.P
Savills Investment Management

REGISTERED AUDITORS

Mazars LLP
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

LEGAL ADVISORS

Charles Russell LLP
5 Fleet Place
London
EC4M 7RD

Russell-Cooke LLP
2 Putney Hill
London
SW15 6AB

BANKERS

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

The Trustees, who are also directors of the Royal Air Force Central Fund for the purposes of company law, present their report and audited financial statements for the year ended 31 December 2020. The financial statements have been prepared in accordance with the provisions of the Statement of Recommended Practice “Accounting & Reporting by Charities” (FRS102) and in line with current statutory requirements, the Charity’s Constitution and applicable Accounting Standards in the United Kingdom.

ROYAL
FORCE

A MESSAGE FROM THE CHAIR

2020 was an exceptional year for everyone due to the pandemic and, as such, our role as a charity required an exceptional response.

The team executed their business continuity plan quickly so that when the government instructed organisations to work from home, they were able to transition seamlessly to remote working without interrupting support to our beneficiaries.

The cessation of sport meant that the Fund needed to find other ways to ensure that the health and fitness of serving personnel was protected and, to that end, two new partnerships were established in the first month of lockdown. The first, with Les Mills International provided free online workouts which to date have been engaged with over 94,000 times. The second, with Myzone, provided significantly discounted heart monitors and Apps, which allowed personnel to train virtually with their colleagues and encourage each other to get or stay fit. Over 2000 of these have been distributed to date and the online community and challenges are proving to be great motivators.

The Fund's two main sources of income faced a challenging environment in 2020. Fortunately, both responded well and whilst the Lottery experienced a slower uptake in new tickets, attrition remained on track so that the decrease in income was manageable. Our second source of income, our investments, underwent a strategic review. This review has helped us weather the market volatility and I am pleased to say that the Fund continues to perform, ensuring that support continues for current and future personnel.

In addition to managing the income streams, the Fund have also set up several strategic alliances that are referenced in the following pages. These relationships help ensure that the monies we generate go further to support more personnel and provide more opportunities for accessing sport and physical activity.

We look forward to supporting the return to sport, RAF personnel and RAF Sports winning ways in 2021.

Eamonn Molloy

Dr Eamonn Molloy
Chair, RAF Central Fund

A MESSAGE FROM THE CEO

As the RAF charity for sport and physical activity, we appreciate the pre-habilitative benefits being active provides and were therefore disappointed that this had to be curtailed in 2020.

That said, the cessation of sport allowed us to pivot towards promoting 'lockdown friendly' physical activity and presented us with an opportunity to support serving personnel in new and novel ways.

As a direct result of our work, we know that personnel took part in well over a hundred thousand workouts in 2020 and the testimonials we received bear testament to the qualitative impact of those sessions. We also know that by creating the opportunity to connect and train virtually with colleagues, the Fund helped to reduce loneliness whilst promoting and motivating RAF personnel to remain active.

The Fund also continued to support Associations, Stations and individuals through our different funding streams and we are pleased to have been able to do that against a very challenging backdrop.

As an organisation, we have learned a lot during the last twelve months and, when restrictions are fully lifted, will be using that experience to continue to challenge our ways of working and those of our partners for the benefit of our beneficiaries.

Ross Perriam
CEO, RAF Central Fund

2023

TRUSTEES' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

HISTORY

The Royal Air Force Central Fund (the Fund) can trace its origins back to the early formative period of the Royal Air Force. During 1919 to 1922 the Air Council Central Fund was established to collate monies originally donated by both commissioned and non-commissioned RAF personnel to support the welfare of others in the RAF from disbanded RAF units.

The Fund was briefly separated into two central institute funds with objectives to provide non-public welfare support to both officers and other ranks prior to subsequent re-unification and amalgamation into the Air Ministry Non-Public Fund in 1923. The Air Ministry Non-Public Fund reiterated the original object of the Fund to 'improve the amenities of service life for the benefit of serving personnel'.

The Air Ministry Non-Public Fund was supplemented in 1937 by the creation of the RAF Central Reserve Fund. Following a reserves transfer from the Air Ministry Non-Public Fund in 1940, the RAF Central Reserve Fund's name was shortened to the RAF Central Fund in 1943. In 1945 the aims of the Fund were widened to include grant making to Command Central Funds and charitable organisations.

A subsequent comprehensive review of RAF charitable funds in 1959 resulted in the Command Central Funds being amalgamated into the Fund, which was then formally registered as a charity in 1963.

The RAF Sports Lottery was established by the Fund in 1993 to generate funding to support sporting activities and endeavours of RAF personnel.

The Mechanics Endowment Fund was amalgamated into the Fund in 2007, carrying the restriction that funds can only be utilised to provide benefit to RAF trainees, with an emphasis towards those trainees within the engineering disciplines where possible.

AIMS AND OBJECTIVES

The Memorandum and Articles of Association defines the Fund's object as a charity that is:

Specifically restricted to the general benefit of members or former members of the Royal Air Force and their dependants in such charitable ways as the Trustees think fit.

This object presents the Trustees with wide powers, enabling them to provide charitable assistance to the RAF Community, primarily via charitable grants.

The core vision of the Fund, to provide support to those serving in the RAF today and on an enduring basis, continues to underpin the ethos and activities of the charity. From the Fund's origins back in 1919, through to the present day, the Fund has remained steadfast in its duty to support those who serve in the RAF. Working directly alongside those we support ensures the Fund is able to remain focused on and react quickly to their evolving needs through amenities and sports provisions.

The following Vision, Mission and strategic objectives for 2020-2022 were agreed:

VISION

For all serving personnel to develop their full potential through sport and physical activity.

MISSION

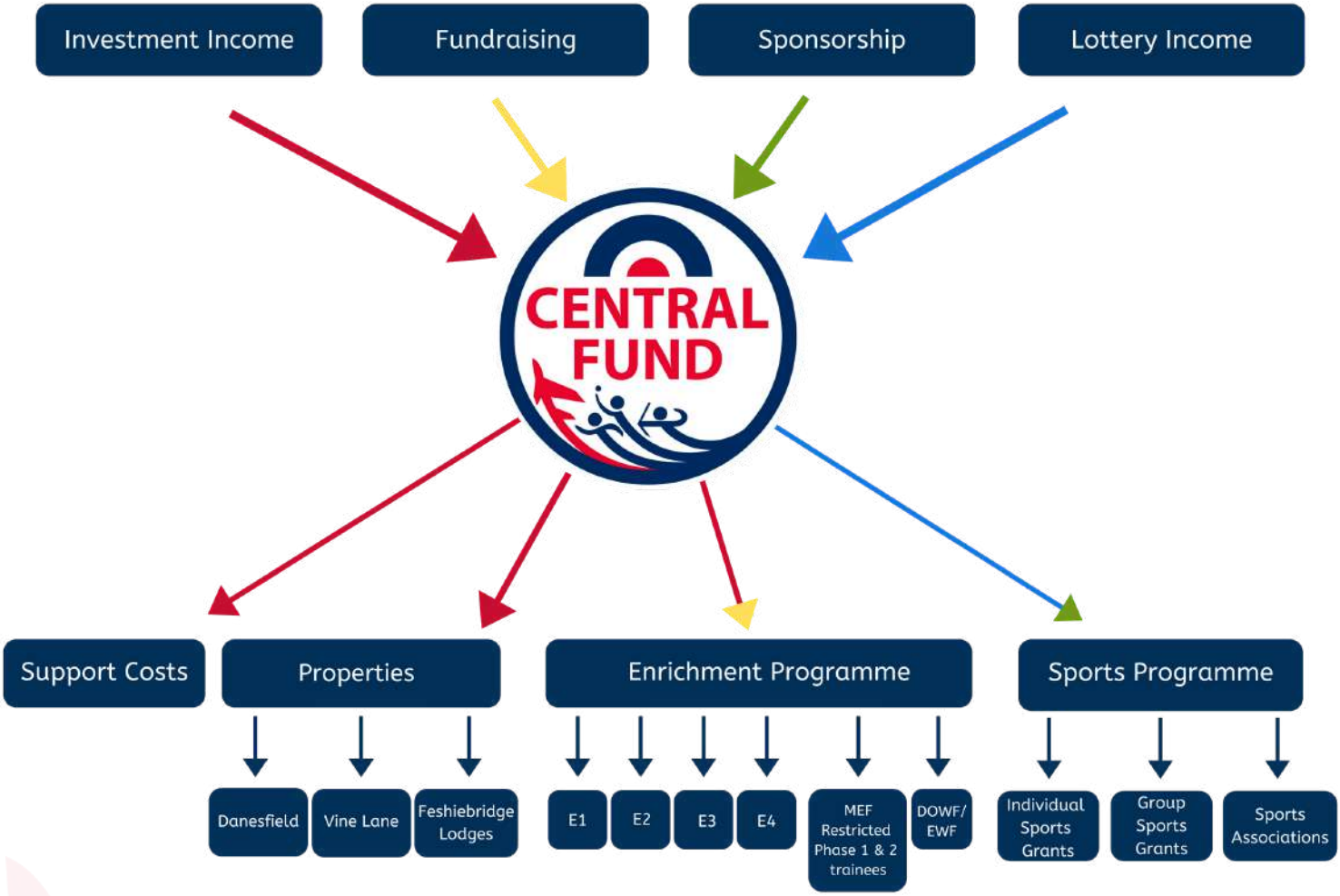
To enable all serving RAF personnel to access sporting opportunities and physical activities.

STRATEGIC OBJECTIVES

- Broaden understanding of how the challenges of service life affect the RAF community with regards to health and fitness
- Develop and deliver flexible, accessible support programmes that reach those most in need
- Significantly increase awareness of its work within the RAF community
- Manage the charity as effectively and efficiently as possible
- Grow and sustain the resources required to meet the needs of its beneficiaries.

Success criteria were put in place to ensure that progress was made towards achieving the new mission.

THE FUND'S INCOME AND FUNDING PROGRAMMES:



GRANT MAKING

As previously noted, the Fund seeks principally to meet its objectives through the provision of support as a grant making charity.

Stations, groups and individuals are encouraged to apply to the Fund for grants that meet the Fund's criteria to support, encourage and develop the serving RAF community. Details of current grants criteria, administrative guidance and bid forms are provided on approach to the Fund and in 2020 were also provided on the Fund's website (www.rafcf.org.uk) along with general guidance to support the enrichment grant programme. Work continued on automating the processing of grant applications and this work is expected to continue until there is a fully automated process in place.

Applications for support towards activities undertaken via the RAF Sports Associations are invited annually and are subject to an initial assessment by a committee of members of the Fund's senior leadership team, supported by the Directorate of RAF Sport and the RAF Sports Federation, prior to recommendation to the Board of Trustees for consideration. Applications are assessed against five principles which are outlined in the documentation and communicated to the Associations by their RAF Central Fund Ambassador.

Enrichment grant applications under £5,000 and meeting certain criteria are assessed by a committee of senior Fund managers whilst those over £5,000 are considered by the Grants Committee to ensure they meet the Fund's objectives and provide maximum benefits and value for our beneficiaries. The Grants Committee consists of a panel of serving personnel who are selected to ensure that all serving RAF personnel are fairly and appropriately represented.

The Grants Committee can approve grant applications up to £50,000. Grants in excess of £50,000 if approved in principle by the Committee will be referred to the Board of Trustees for consideration at the next meeting.

Applications for support towards individual sports grants are subject to a process of internal assessment prior to review by the Sports Grant Panel. The Sports Grant Panel consists of Fund senior managers, supported by a representative from the Directorate of RAF Sport and the RAF Sports Federation. The Panel has authority to approve grants to an individual maximum of £5,000. Grants in excess of £5,000 are recommended to the CEO and those in excess of £25,000 are recommended to the Grants Committee.

The Fund continues to work closely with its beneficiary community and the RAF Community Support team to help RAF stations and units strategically manage their sports and physical activity needs and to identify and prioritise key areas which will benefit from support.

The Fund currently assesses the impact of its funding through retrospective reporting on indicators such as the usage of facilities and new member engagement coupled with anecdotal feedback from supported Stations, projects and individuals. The Fund is seeking to establish more formalized impact assessment indicators and expects to have those ready in the near future.

The focus of the Fund in 2020 remained the same as 2019 but was challenged due to Covid-19. Whilst the central principle of funding applications that encourage serving personnel to participate in sporting activities remained, lockdowns and social distancing resulted in the need for the Fund to be more flexible and creative in their goal to promote physical and mental fitness and resilience.

OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

The Trustees recognise the two principles of public benefit and believe that the objectives and activities of the Fund formally meet these principles by:

- assisting the promotion of military efficiency
- providing RAF personnel with the necessary skills to carry out the RAF contribution to the Defence of the United Kingdom and its interests.

As noted above, the Fund seeks to concentrate support around its current objective:

> *For all serving personnel to develop their full potential through sport and physical activity.*

Working towards this vision assists in the promotion of military efficiency which underpins esprit de corps and team working, whilst additionally encouraging personnel to develop the character, spirit and attitude to face challenges and danger associated with military service. As a result, the Fund provides a benefit not only to our direct beneficiary group but additionally to the general public in helping to provide personnel who are motivated, have high morale and are willing to serve the needs of their country and that of its public, at all times.

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

STRATEGIC REPORT

The foci for the Fund for 2020 was agreed pre the Covid-19 pandemic and was set to operate closer to the cash flows provided by its income streams in order to preserve the Fund's longer term future. This aim remained in place however, there was an expectation that this goal may be challenging given the uncharted waters the Fund found itself in. Fortunately, the Fund's response to the pandemic resulted in not only the achievements documented in the following pages, but also the Fund delivering on its pre-Covid financial goals.

WE SAID WE WOULD COMMISSION A SURVEY OF OUR BENEFICIARIES

THE SURVEY WAS COMMISSIONED AND RECEIVED OVER 3,300 RESPONSES

WE SAID WE WOULD REVIEW THE LOTTERY MODEL

THE MODEL WAS REVIEWED AND WE DOUBLED THE NUMBER OF PRIZES AND CREATED MORE MONEY FOR RAF SPORT

WE SAID WE WOULD DEVELOP COMMUNICATION NETWORKS AND DEVELOP ONLINE COMMUNITIES

WE ATTENDED OVER 120 MEETINGS WITH STAKEHOLDERS AND CREATED AN ONLINE COMMUNITY OF OVER 2,000 PERSONNEL WITH THE MYZONE APP

WE SAID WE WOULD REVIEW OUR FUNDING STRATEGY

WE CREATED A 3 YEAR FUNDING STRATEGY FOR LAUNCH IN 2021

WE SAID WE WOULD STRENGTHEN THE BREADTH OF MEMBERSHIP, REPRESENTATION AND SKILLS BASE ACROSS THE BOARD AND COMMITTEES

WE APPOINTED 7 NEW COMMITTEE MEMBERS

WE SAID WE WOULD LAUNCH FESHIEBRIDGE LODGES

FESHIEBRIDGE LODGES OPENED IN JANUARY 2020

WE SAID WE WOULD REVIEW THE FUND'S INVESTMENT STRATEGY IN ORDER TO MAXIMISE RETURNS FOR ITS BENEFICIARIES

WE LAUNCHED OUR NEW INVESTMENT STRATEGY IN SUMMER 2020

WE SAID WE WOULD DELIVER A BALANCED BUDGET

WE EXCEEDED THAT TARGET

IN ADDITION TO DELIVERING ON OUR COMMITMENTS, WE ALSO PROVIDED THE FOLLOWING COVID-19 RESPONSE

94,000 ONLINE WORK OUTS

2,000 JOINED OUR ONLINE MYZONE COMMUNITY TO WORKOUT WITH COLLEAGUES

BROADEN UNDERSTANDING OF HOW THE CHALLENGES OF SERVICE LIFE AFFECT THE RAF COMMUNITY WITH REGARDS TO HEALTH AND FITNESS

At the end of 2019, the Fund commissioned YouGov to undertake a survey of serving RAF personnel to establish their sporting and physical activity needs and challenges. The survey commenced in February 2020, ran for 6 weeks, had 3,381 respondents and the results (detailed below) will be used to inform future strategy.

RECRUITMENT

BEFORE JOINING THE RAF

37% PLAYED FOOTBALL

36% WENT TO THE GYM

21% CYCLED

21% RAN

PEOPLE JOINING THE RAF SAW ACCESS TO SPORT AS

RETENTION

HOW PERSONNEL SEE SPORT AS SOMETHING THAT KEEPS THEM IN THE RAF

SPORT

TOP PARTICIPATED SPORTS

CYCLING **13%**

ALPINE/ WINTER SPORTS **12%**

FOOTBALL **8%**

MOTORSPORTS **8%**

REASONS FOR NOT JOINING A SPORT ASSOCIATION

- LEVEL IS TOO HIGH / ONLY FOR ELITE **29%**
- DON'T KNOW HOW TO FIND OUT ABOUT ASSOCIATIONS **19%**
- MOVE AROUND TOO MUCH **16%**

BEGINNERS AND DEVELOPMENT LEVEL
LESS LIKELY TO PARTICIPATE THROUGH AN RAF ASSOCIATION

TO IMPROVE TO THEIR FULL SPORTING POTENTIAL

54% NEED MORE TIME FOR SPORT

41% NEED BETTER STATION FACILITIES

34% NEED MORE ENCOURAGEMENT FROM SUPERVISORS

BEGINNERS
ARE MORE LIKELY TO PARTICIPATE AT STATION LEVEL

HOW PERSONNEL REGULARLY PARTICIPATE IN SPORT OR PHYSICAL ACTIVITY

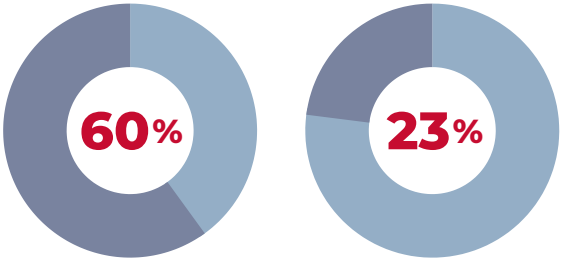
63% OUTSIDE RAF

49% AT STATIONS

42% THROUGH RAF ASSOCIATIONS

HEALTH

BARRIERS STOPPING PERSONNEL BEING MORE ACTIVE



60% TIME

23% LACK OF NEARBY FACILITIES

TO INCREASE CURRENT ACTIVITY LEVELS

- **55%** WOULD JOIN A STATION CLUB
- **54%** WOULD DO SOMETHING ON THEIR OWN
- **43%** WOULD JOIN AN ASSOCIATION
- **42%** WOULD JOIN A CIVILIAN CLUB

THOSE WITH **LOWER FITNESS LEVELS** ARE SIGNIFICANTLY MORE LIKELY TO STATE THAT SPORTS AND PHYSICAL ACTIVITIES INCREASE **CONFIDENCE** AND HELP COMBAT **LONELINESS**

DEVELOP AND DELIVER FLEXIBLE ACCESSIBLE SUPPORT PROGRAMMES THAT REACH THOSE MOST IN NEED

RAF SPORT ASSOCIATION SUPPORT

50
RAF SPORTS FUNDED

761*
NEW MEMBERS

£1,018,416
VALUE OF ASSOCIATION FUNDING

13,500+*
PERSONNEL SUPPORTED

INDIVIDUAL SUPPORT

1,548 TOTAL NUMBER OF GRANTS AWARDED

1.8%*
2020 INCREASE
*Based on the average of 2018 and 2019 grants awarded

TOTAL VALUE OF AWARDED GRANTS
£424,999

712
RAF LEVEL GRANTS

£291,213
VALUE OF RAF LEVEL GRANTS

836
DEVELOPMENT LEVEL GRANTS

£133,786
VALUE OF DEVELOPMENT LEVEL GRANTS

*Figures provided by the Sports Associations

STATION LEVEL SUPPORT

26 NUMBER OF ENRICHMENT GRANTS

18 RAF STATIONS SUPPORTED

VALUE OF ENRICHMENT GRANTS
£186,374

2 Station Overseas Visits

8,015 EST.
PERSONNEL SUPPORTED THROUGH ENRICHMENT GRANTS

MECHANICS ENDOWMENT FUND

2 MEF GRANTS AWARDED

£14,000 VALUE OF MEF GRANTS

258 PERSONNEL SUPPORTED THROUGH MEF GRANTS

SIGNIFICANTLY INCREASE AWARENESS OF ITS WORK WITHIN THE RAF COMMUNITY

The Fund continued to work hard in 2020 to grow new relationships and strengthen existing ones with its stakeholders in order to promote its work, build partnerships and ultimately benefit more serving RAF personnel.

13 COMMITTEE MEETINGS HELD

5 RAF SLT MEETINGS

8 STATIONS VISITED

6 MEETINGS WITH OTHER RAF CHARITIES

13,500+ BENEFICIARIES SUPPORTED

690 LOTTERY WINNERS

EXTERNAL FUNDING SUPPORTED

600 MYZONE BELTS ACROSS

4 STATIONS TO SUPPORT REHAB CENTRES THROUGH A GRANT PROVIDED BY THE ARMED FORCES COVENANT

Following the rollout of the updated brand and brand guidelines and a new marketing strategy for the Fund in 2019, the focus in 2020 was to work on targeted campaigns to raise awareness of the RAF Central Fund and how the charity supports serving personnel.

The first opportunity came prior to the first Covid-19 national lockdown with the roll out of the YouGov survey into sport in the RAF. The campaign helped to consolidate the message that the Fund is the independent charity behind sport and physical activities across the Air Force. As well as issuing a press release and targeted email marketing, the survey was promoted digitally through social media and more traditional marketing resources (postcards) that were sent to Stations for placement in their communal areas and gyms. The campaign exceeded expectations with 3,381 personnel completing the survey.

A planned increase in presentations and Stations visits for 2020 had to be put on hold as a result of the pandemic and a digital marketing strategy became the main focus as homeworking became the new normal. The Myzone (heart rate monitor) initiative provided a perfect opportunity to reach out to beneficiaries and garner support for the Fund at a time when RAF sport was put on hold and Station gyms temporarily closed. The Myzone App that works alongside the belt has also provided a novel communication channel with which to engage with a new audience.

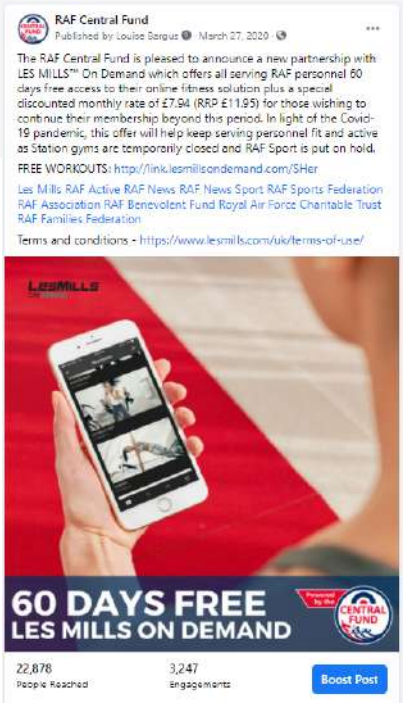
myzone®

Communicating the 2020 changes to the Sports Lottery enabled us to emphasise the vital role it plays as a fundraiser for our charity. It also highlighted delivery issues to MOD email addresses through the mass mailing system being utilised by the Fund. We are currently working with Defence Digital to try and get this issue resolved.

Sports Lottery presentations to new recruits were delivered through voiced over presentations and RTS trainers during the months when Fund staff were not able to get on Station. Needless to say Sports Lottery registrations were down amongst new recruits in 2020 both as a result of not being able to deliver presentations in person and a reduced number of cadets going through RTS.

The Fund's fundraising campaigns planned for 2020 also had to change as a result of the pandemic due to the cancellation of mass participation fundraising events. The organisers of the London Marathon provided an alternative with the 2.6 Challenge which was launched on Sunday 26 April – what should have been the date of the 40th edition of the London Marathon. The organisers provided a digital marketing toolkit which we were able to utilise to encourage our supporters to take on the challenge. This resulted in 37 fundraising pages set up by individuals and Sports Association teams who collectively raised over £10,000 for the Fund.

2020 saw further steady growth for the Fund's social media channels. With the pandemic putting face to face presentations and Station visits on hold, social media became our primary way of communicating with our beneficiaries. A key focus was to provide support through lockdown with partnership offers and ways to stay active whilst raising awareness of the Fund, how the charity supports serving personnel and in turn, how to 'help us help you' by showing support through fundraising events or by playing the Sports Lottery.

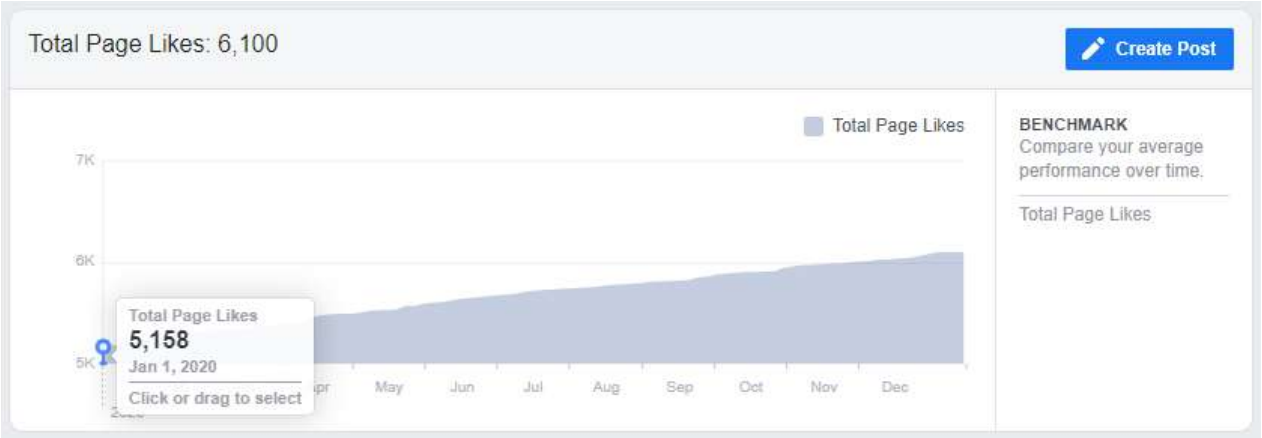


Bringing partnership offers to support RAF serving personnel during lockdown.

Promotion and support of fundraising events.

Launching and promoting the Sports Lottery changes.

Facebook continues to be the Fund's highest performing social media channel.



MANAGE ITS CHARITY AS EFFECTIVELY AND EFFICIENTLY AS POSSIBLE

As part of its commitment to manage the Charity as effectively as possible the Fund continued to work to the following published funding priorities for Sports Associations in 2020:

- ***Legal or Regulatory Requirement.*** Items or activities that are essential to allow each sport to continue; such elements would include insurance, affiliation fees and first aid requirements
- ***Recruitment Activity.*** Elements of funding that can be directly attributed to increasing participation in the sport, such as specifically including promoting diversity, RAF inter-Station championships or specific recruitment events
- ***Retention at Development Level.*** Such costs would include elements to support the development of individuals who have been recruited into an Association to ensure their continued development in order to encourage continued participation e.g. training events
- ***Retention at Representative Level.*** Such costs would include elements to support the development of individuals at representative (RAF/UKAF) level, e.g. team kit or representative level coaching
- ***Indirect Retention.*** Such costs would include items such as Overseas Visits and medals, which do not directly increase participation or improve performance.

In addition to the above priorities, the Fund also initiated partnerships with sports equipment and clothing manufacturers and suppliers in 2020 that would help the funding pot go further in the years to come. The aim is that from 2021 the Fund will be able to meet the needs of its beneficiaries whilst operating a balanced budget.

2020 also witnessed the continuation of improvements to the financial and charitable governance of the Fund. Virtual attendance by team members at Gambling Commission, Lottery Commission and Financial Seminars allowed for existing policies and processes to be reviewed and, where necessary, updated.

GROW AND SUSTAIN THE RESOURCES REQUIRED TO MEET THE NEEDS OF ITS BENEFICIARIES

PROPERTIES

FESHIEBRIDGE

Feshiebridge Lodges, prioritised for serving RAF personnel to use for holidays, outward bound courses and decompression, opened in January 2020 and immediately proved popular amongst RAF personnel and the public. Although the site was required to close for 17 weeks and operate at reduced occupancy for an additional 8 weeks due to COVID-19 Leisure and Tourism restrictions, a total of 148 bookings took place resulting in a 70% occupancy for the weeks that the site was permitted to open. In accordance with the lockdown and tiered restrictions, 81 bookings were cancelled whilst 21 were postponed to 2021 and 2022.

VINE LANE

The cricket ground and pavilion at Vine Lane are used by RAF cricket on an infrequent basis. The Fund are continuing to review how the site could be better utilised for the benefit of its beneficiaries whilst taking into consideration the requirements of RAF Sport. Discussions are in progress with the Local Council to identify possible opportunities for the site. The potential financial, reputational and environmental impacts of a change of use are being considered as part of the review.

DANESFIELD

Outside of COVID-19 restrictions, RAF Central Fund Danesfield continues to be utilised on a daily basis by serving RAF personnel in order to take part in Force Development and team building activities. Danesfield is also the Home for Sport for RAF Rowing and RAF Canoeing Associations; regular training, club sessions and events. Due to the unique location of the site, the Fund is reviewing opportunities for future development.

THE RAF SPORTS LOTTERY

The RAF Sports Lottery continues to be the number one source of income for the Fund with total players increasing by just over 3.5% during the year to 17,770. There were over 500 winners in 2019 and the work that started in November to review the operating model will result in more money for sport and even more winners from late 2020 onwards.

OTHER OPPORTUNITIES

FUNDRAISING

The nature of most fundraising is through sporting or physical activity challenges and therefore it was only fitting that a three year fundraising strategy was created in 2019 to start building an additional income stream for the Fund. The execution of the strategy began in 2020 to the following effect:

£154,000
TOTAL FUNDRAISED

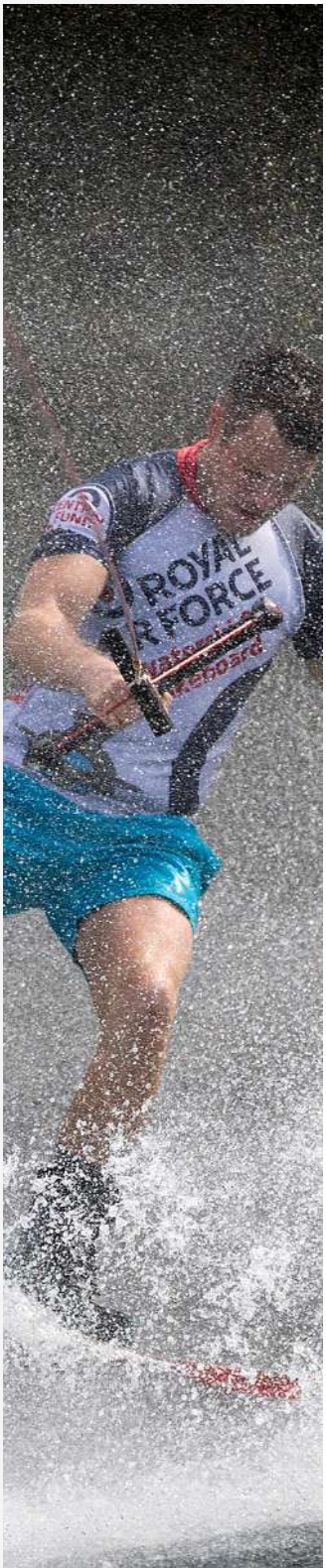
50
JUSTGIVING CHALLENGES COMPLETED

DONATIONS FROM JUSTGIVING **£14,568**

1 STATION DONATION

As previously highlighted, work was also started in 2019 to source partner suppliers of sports equipment and clothing. The first of these partnerships was launched in 2020 with Specialist Sport. Specialist Sports make a contribution to the Fund which allows our funding to reach more people. They also provide a mechanism for the Fund to reconcile grants given with grants spent which helps improve the Fund's financial governance.

ORGANISATIONAL STRUCTURE AND GOVERNANCE



The Trustees Board is responsible for setting the strategic direction of the Fund whilst the day-to-day management of the Fund is the responsibility of the Chief Executive Officer.

The Chief Executive Officer has delegated authority to determine operating policies, manage operational planning, budgets, property and staffing resources to support the strategic and policy framework of the Board and is responsible for the effective and efficient management of the Fund.

Trustees delegate authority to the Chief Executive Officer and the Chief Operating Officer to authorise budgeted expenditure to a limit of £50,000 and to approve items of un-budgeted expenditure subject to an individual item maximum of £25,000 where this does not represent more than a 10% variance from approved financial forecasts. Details of significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

The Trustees of the Fund have constituted four Committees: the Finance and Risk Committee; the Grants Committee; the Investment Committee and the Remuneration Committee in accordance paragraph 11 of the Fund's Articles of Association. The Fund's Trustees set clear terms of reference for the Committees and receive regular reports on their activities. The Board recruited Group Captain C Baker in April 2020 as an additional serving Trustee to strengthen their skills base and ensure resilience for quorate decisions to be made.

THE FINANCE AND RISK COMMITTEE

The Trustees delegate the oversight of the Fund's finance and risk governance and policies to the Finance and Risk Committee and to ensure these are aligned with the Fund's charitable and strategic objectives. The Committee are required to meet at least biannually and met three times during 2020 to implement the Fund's financial strategy.

The Trustees delegate authority to the Committee to approve budgeted expenditure in excess of £50,000 and major single items of unbudgeted expenditure to a maximum of £50,000, subject to an annual limit of £200,000. Details of all significant un-budgeted expenditure approvals are presented to the Trustees at every Board meeting.

THE GRANTS COMMITTEE

The Trustees delegate the disbursement of grants to the Grants Committee. The Grants Committee is required to meet at least biannually and met virtually to consider awards on three occasions during 2020.

The Fund Trustees have delegated authority to award single grants up to £50,000 within the limits of their annual budget to the Committee. Details of Committee-considered grants are presented to the Trustees at every Trustee meeting.

Grants are awarded throughout the RAF to a diverse range of projects which support the serving RAF community and their immediate support networks. Where possible, a contribution is made by capital project applicants and all requests for funding must be supported by an application which includes details of project delivery, maintenance costs and a realistic business case where applicable.

The Fund seeks to work closely with other Service charities such as the Nuffield Trust, the RAF Benevolent Fund, the RAF Charitable Trust and the Royal Air Forces Association to provide maximised benefit to the serving RAF community. For projects that benefit personnel across multiple services, the Fund works closely with the Army and Navy charities to ensure inclusivity across Defence.

The Grants Committee continued to encourage serving RAF representation and following the resignations of Warrant Officer Pullar, Squadron Leader Shepherd, Warrant Officer Simpson and Warrant Officer Milner it appointed Warrant Officer Buxton, Warrant Officer Whitton, Squadron Leader Luckett, Squadron Leader Spear and Squadron Leader Causer to its membership.

THE REMUNERATION COMMITTEE

The Remuneration Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the remuneration of the Fund's senior management and employees.

The Remuneration Committee provides recommendations to the Board of Trustees with regards to all employee remunerations, including key management personnel, based on annual review of sector benchmarks. The Committee remain cognisant of the Fund's intent to attract and retain talented and committed employees who can help the Fund realise its objectives to maximise support to RAF personnel both now and into the future. To achieve this, the Remuneration Committee seeks to ensure salaries reflect the appropriate market rate of pay for a comparable job in the relevant job market and are subject to regular review to ensure employee rewards remain appropriate.

THE INVESTMENT COMMITTEE

The Investment Committee was constituted by the Board of Trustees to provide an oversight, review and advisory role to the Board with regards to the Funds' investments.

The Committee is established to oversee the Fund's investment governance, including philosophy, risk appetite and policies, and ensure these are aligned with the Fund's charitable and strategic objectives. The Trustees authorise the Committee to monitor the Fund's investments against the Fund's investment philosophy, risk appetite and policies.

In October 2020 Mr Julian Brown was appointed as an independent member of the committee in order to increase the skills and knowledge of the group.

ROYAL AIR FORCE CENTRAL FUND TRADING LTD

The Fund has one wholly-owned subsidiary, RAF Central Fund Trading Ltd, which became active in 2018, details of which can be found at the back of this report.

SENIOR LEADERSHIP TEAM

2020 was a year of consolidation for the senior leadership team with the team working exceptionally well together to ensure that the Fund continued to serve its beneficiaries in a changing and challenging environment.

The Fund's internal procedures and policies were reviewed and, where necessary, adapted to suit the new environment that beneficiaries and colleagues found themselves in during 2020. Following Government guidance, the team worked predominantly from home and the senior leadership team ensured that the conditions, culture and resources were available to ensure that this new way of working worked for both colleagues and beneficiaries. Consultations with the team and feedback from beneficiaries strongly indicates that needs from both parties were met.

The senior leadership team also worked well to bring the new initiatives and support programmes detailed in previous pages to the Fund's beneficiaries in a very short space of time. This resulted in more people being supported sooner.

XBLADES
Royal Air Force
Rugby League
RAFRLW
XBLADES

RISK MANAGEMENT

The Trustees reviewed the major risks facing the Fund within the annual business planning process. The Trustees continue to identify significant risks to the Fund and to implement procedures to both mitigate risk and to minimise potential impact should risks materialise. The Trustees identified the following as the significant potential risks facing the Fund for 2020/21:

- A significant fall in investment performance or value adversely affecting the ability of the Fund to provide support to its beneficiaries
- Reduction in Sports Lottery income
- Loss of key staff and inadequate working conditions. Staff lacking adequate leadership
- Inadequate resource for crisis
- Inadequate payment processes
- Unexpected change in demand from beneficiaries
- Health & Safety breach at one of the Fund's properties
- Failure to meet regulatory compliance standards (charitable / gambling)
- Failure of RAF leadership support.

Regular reviews of the progress of the Lottery are undertaken by both the Board and the Finance and Risk Committee, supported by a rolling re-forecast of budgets, marketing and regular scenario planning.

Professional Investment Managers were employed by the Trustees to advise and manage the Fund's investments. The performance of the investment portfolio and the Investment Managers were subject to review at each Investment Committee meeting. The investment strategy is considered at least annually by the Board of Trustees. The Investment Committee reviews the Fund's investments on a regular basis and in 2020 employed an investment consultant to execute the Fund's investment strategy and to help manage the Fund's investment risk.

The Investment Committee worked closely with the Investment Managers to ensure that the current series of investment disinvestments were timed to minimise the overall impact on the value of the portfolio and associated income generation. The Finance Manager received monthly updates from the Investment Managers and provided 'early warning' financial briefings to both the Finance and Risk Committee and Investment Committee at each meeting.

The Fund continued during 2020 to progress the ongoing process of ensuring that all key procedures were documented and made available. Key compliance and regulatory responsibilities and positions were duplicated wherever possible and training provided to support their continuance. Appropriate notice periods were employed to minimise the risk of unstaffed positions, with senior management and the Board seeking to ensure appropriate succession plans are developed and subject to regular reviews.

To assist with compliance being achieved with the Gambling Commission, the running of the Sports Lottery game was outsourced to a sector specialist External Lottery Manager (ELM). Whilst acknowledging that the selected ELM is subject to regulatory compliance review directly from the regulator, the Fund employ the services of an external sector specialist to assist in the preliminary and pre-draw assessment of the ELM on a biennial basis. This will take place in 2021.

Being cognisant of the enduring requirement for the Fund to remain best placed to support RAF personnel, the need for additional managerial and support staff is regularly reviewed so that the evolving core operational activity of the Fund can be achieved.

Trustees are satisfied that the arrangements for managing the potentially significant risks identified are adequate, mitigate the risks noted to an appropriate level and are subject to sufficiently rigorous monitoring and control. This is further demonstrated with no adjustments having been recommended by the Fund's auditors to the Financial Statements.

Additionally, the Charity operates systems of internal control which are designed to provide reasonable assurance against material misstatement or loss. They include:

- an annual operating budget which is approved and reviewed by the Trustees
- regular consideration by the Finance and Risk Committee and Trustees of financial results against the budget and other indicators
- regular consideration by the Trustees of Investment Management results against benchmarks
- delegation of day-to-day management authority and segregation of duties.

BREXIT IMPACT

Whilst exiting from the EU has continued to contribute to market volatility it has yet to impact on the regulatory environment. The Fund reviewed its Investment Strategy to mitigate the effect on investments following the decision to leave the EU and will seek to keep up-to-date with the latest developments in the regulatory environment.

COVID-19 IMPACT

The Trustees together with the Exec team considered the possible risks of Covid-19 and put in place measures to maintain income, examine new ways of supporting beneficiaries and protect the team. These steps include:

- a strategic review of the investments to firstly protect the portfolio and to also improve growth and income
- a digital campaign to promote the Lottery in the absence of station visits
- streamlining of overheads including a reduction in office space and rent
- adapting policies to reflect the changing needs of beneficiaries
- working with new agencies to provide lockdown compliant exercise opportunities
- providing the processes, resources and culture needed for the team to be comfortable, safe and supported whilst working from home.

2020

LEGAL STATUS AND ORGANISATION

CONSTITUTION

The Fund is a registered charitable company limited by guarantee, a company registered in England and Wales 8555984, charity registered in England and Wales 1152560 and a charity registered in Scotland SC044299.

The Fund is governed by its Board of Trustees as established within its Memorandum and Articles of Association dated 4 June 2013 (as adopted by a special resolution passed as a written resolution on 29 March 2019). The Articles determine that the Board must consist of a minimum of three Trustees with a condition that a Serving Trustee cannot be appointed to the Board unless the number of Non-Serving Trustees is at least equal to the number of Serving Trustees subsequent to the appointment.

Trustees are appointed by election at a Board General Meeting for a three year term and can serve no more than three consecutive terms. A quorum of Trustees is required for the transaction of business which consists of at least two Non-Serving Trustees and two Serving Trustees unless there is only one Non-Serving Trustee appointed, whereby a quorum is one Non-Serving and one Serving Trustee.

Trustees have established a clear policy and procedures for dealing with conflicts and the authorisation thereof, in accordance with Charity Commission guidelines.

TRUSTEE INDUCTION AND TRAINING

All new trustees receive a personalised induction programme. The programmes are designed to cover the key strategic aims of the Charity, its operational framework, its finances and future plans. The induction additionally provides details of the Charity's regulatory and statutory reporting requirements, including those of the Charity Commission, OSCR and Companies House.

The Trustees are invited to an annual 'Away-Day' during which they review any significant updates of regulatory or governance importance. Trustees are expected to have visited all of the Fund's properties within twelve months of appointment and are invited to attend a Grants Committee and Finance and Risk Committee meeting within the first year of appointment.

Trustees are additionally invited to attend internal and suitable external Trustee training courses to ensure an appropriate and on-going understanding is maintained within the Board with regards to significant issues such as: governance; the role and responsibilities of the Trustees; understanding charity finance and investments; identifying and managing risks and strategic planning.

TEGIVA
ROYAL AIR FORCE
Engineering
40
DARREN BERRIS
750 MOTOR CLUB
Jonathan Elsey
MOTORSPORT PHOTOGRAPHY

FINANCIAL REVIEW

LOTTERY

As previously highlighted, new lottery ticket numbers struggled to grow in 2020 although overall gross Lottery income for the year (£2.91 million) achieved 99% of its budget; up 1 % on 2019. The Lottery is now generating an income on par with pre-suspension levels.

The Lottery, operating as a weekly Society Lottery, awarded prizes totalling £25,000 each week until 1 September 2020, after which the weekly prizes were reduced to £18,000. The cost of awarding these prizes in 2020, together with External Lottery Manager Fees and overhead costs totalled £1,434,433 (2019: £1,595,222) for the twelve months of play. The Lottery generated a net surplus during 2020 which was utilised in-year within the sports grant programme.

INVESTMENTS

The Fund's investment portfolio of £32.3 million (2019: £35.6million) is managed by Allianz Global Investors ('AGI') and is invested in Allianz pooled funds. AGI has permitted operating ranges for the investment categories of UK Equities, UK Gilts, UK Index Linked Trackers and UK Corporate bonds. The Fund divested £4.21million in December 2020 to support the new investment portfolio.

During the year, the AGI portfolio was moved to a care and maintenance model in advance of restructuring the investment portfolio. For 2020, AGI posted a return of 6.4% (2019: 18.9%) against the benchmark of 4.2% (2019: 16.3%).

The Trustees continue to invest in alternatives in order to diversify the nature of their investments.

In 2019 the Charity divested from its property investment fund managed by Cazenove Capital Management ('Cazenove') and invested in Insight Global ABS Fund.

The market value of the portfolio at 31 December 2020 stood at £5,363,394 (2019: £5,533,485) with income of £76,374. £467,211 (2019: £499,422) of the value of the invested portfolio at 31 December 2020 is deemed to represent restricted Mechanics Endowment Fund investments. In addition to the Mechanics Endowment Fund monies invested within the Insight portfolio £147,551 was held within an investment with CCLA.

In December 2020, the Fund invested £3,783,821 with Savills Charity Property Fund and £402,960 with Marathon: Distressed Credit Fund.

During 2020 AGI investment income delivered £555,103 (2019: £693,325). No target was set in year, as the Fund moved to care and maintenance in advance of restructuring the investment portfolio. The income was utilised to support the 2020 Grants programme.

The Fund also holds investments in the BlackRock Charinco Common Investment Fund with a market value at the 31 December 2020 of £15, 327 (2019: £14,830). The investments are held to support the Feshiebridge Lodge Fund. The investment generated £388 income (2019: £837).

The Charity additionally holds £147,511 (2019: £147,551) of funds within the COIF Charities Deposit Fund which represents that element of the restricted Mechanics Endowment Fund not invested within the Insight Global ABS Fund. Interest earned on the deposits is automatically reinvested within the Fund.

Prior to the application of unrealised market movements on investments, the Fund showing a year-end surplus of £894,252 (2019: (£728,734). Following the application of £872,755 realised and unrealised investment market gains, the Fund noted a year-end surplus of £1,767,007 (2019: £4,195,225).

Following application of the unrealised market gains on investments, total funds increased from £43,002,590 in 2019 to £44,769,597 at 31 December 2020.

Lottery income, income from the investment portfolio and other minor income streams, supported total Fund income for the year of £5,137,842.

LONG TERM INCOME PROTECTION

The investment strategy that has been put in place seeks to protect in real terms the value of the investment portfolio at a level that will be able to deliver the desired income stream in order to finance expected annual expenditure. This strategy is reviewed every three years against forecast yields and estimated income needs.

DIRECT COSTS

Direct costs have routinely been met from unrestricted investment income generated in the year of application, therefore Trustees have been content to maintain zero unrestricted reserves. The balance of the expendable endowed fund at year-end was £40,374,922 (2019: £38,638,579), of which £39,574,193 (2019: £40,260,033) represented invested funds.

The Fund has the following designated funds:

- **RAF Central Fund Vine Lane, RAF Central Fund Danesfield and Feshiebridge Lodges.** Funding generated by activities at the three respective sites which is deemed by the Trustees as required to support their respective on-going maintenance and activities

- **Sports Lottery Fund.** Funds designated for future utilisation for the benefit of sport in the RAF

- **Contingency: RAF Sports Board Pension Fund.** At the 2020 year-end there is sufficient uncertainty with regards to the exact status of the Fund's pension situation to deem it inappropriate to recognise a provision for future payments in respect of past service of former employees.

The Fund has the following restricted fund: Mechanics Endowment Fund - Funds whereby expenditure is restricted for the benefit of RAF trainees, especially those in the engineering disciplines.

FINANCIAL RESERVES

The application of the long term income protection policy has historically allowed the Fund to maintain the expendable endowment fund at a level whereby the Trustees have been able to apply a policy of meeting direct expenditure through application of the investment income generated.

To generate income to support the enrichment grants programme and Fund administrative, governance and support costs and being cognisant of specialist advice regarding investment income returns, the Board deem it appropriate and necessary to maintain invested reserves at a level of approximately £40 million within total reserves of approximately £42 million.

At the year-end the Fund held total reserves of £44,769,597 including invested reserves of £41,991,679. The Trustees are content that the closing 2020 reserves balance of £44,769,597 is appropriate, given the current fluidity in the investment markets.

The reserves policy is subject to annual review. The balance sheet confirms that the Fund has adequate working capital to meet any obligations as they fall due.

2020

PLANS FOR FUTURE PERIODS

The core vision of the Fund, to support and enrich the lives of those serving in the RAF today and on an enduring basis, continues to underpin the strategic and operational direction of the Fund. As the Board of Trustees continue to refine and prioritise the direction of the Fund, our central mission and vision remains; to enable all serving RAF personnel to access sporting opportunities and physical activities with the aim of developing their full potential.

Within this wide reaching objective the following aims have been defined as the next steps of the Fund's strategy and fundamental for the period ending 2021:

- **EVALUATE THE IMPACT OF THE FUND'S PROGRAMMES AND PROCESSES ON SERVING PERSONNEL**

1. In 2020 we surveyed our beneficiaries to understand the challenges that service life poses on accessing sports and physical activity. As the next step, we will use the insight gained from that survey to inform the consultation and review of our Individual Sports Grant programme to ensure that it remains impactful, relevant and helps to address some of the challenges raised.
2. We will deliver a three year funding strategy that will allow the Sports Associations greater visibility of their funding over the medium term. The approach will also involve a closer working relationship with Directorate of RAF Sport of and the Sports Federation so that the three agencies are better aligned and speaking with 'one voice'. Administration will be reduced for all stakeholders and financial efficiencies will inevitably be found through smarter working practices.

- **INCREASE AWARENESS AND PARTICIPATION OF THE SPORTS LOTTERY**

The marketing activities for 2021 will be focused towards strategies and campaigns to reach new players from traditional and non-traditional markets.

- **PARTNER WITH OTHER CHARITIES TO IMPROVE THE FUND'S REACH AND CLOSE FUNDING GAPS THROUGH JOINT VENTURES**

We will explore opportunities to collaborate with other charities specifically in respect of our revenue generating assets (investments, Lottery and property) in order to create mutually beneficial outcomes.

- **DEVELOP CLOSER RELATIONSHIPS WITH STATIONS TO MAXIMISE AWARENESS OF THE AVAILABLE SUPPORT**

The Fund aims to launch a Station Ambassador programme that will strengthen ties and communication between the Fund and RAF stations. We will continue to fund stations through the enrichment programme and explore ways of increasing that funding pot. New initiatives that increase our reach to non-sporting personnel will also be examined.

- **INVESTIGATE ADDITIONAL REVENUE STREAMS**

The Fund will continue to develop its new fundraising stream whilst exploring new revenue opportunities that sit in line with its objectives.

2020

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the Trustees (who are also directors of the Royal Air Force Central Fund for the purposes of company law) to prepare financial statements that give a true and fair view of the state of affairs of the charitable company at the end of the financial year and of its deficit for the financial year. In doing so the Trustees are required to:

- select suitable accounting policies and apply them consistently
- make sound judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and Statements of Recommended Practice 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 will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time, the financial position of the Charity and enable them to ensure the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2015 and the Charities Accounts (Scotland) Regulations 2006.

The Trustees are also responsible for the safeguarding of the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with Company law, the Fund's Trustees certify:

- there is no relevant audit information of which the Fund's auditors are unaware

- the Trustees of the Fund have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of the information.

RAF Central Fund complies with the Fundraising Standards Board Requirements and only utilising agencies that are compliant with the Fundraising Regulations. We aim to meet the highest standards so that supporters and volunteers are able to give and fundraise for the Fund with confidence. No complaints have been received in respect of fundraising during 2020.

AUDITORS

Mazars LLP acted as the Fund auditors during the year.

This report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies. The Trustees' and Strategic Report for the year ended 31 December 2020 was approved by the Trustees in their capacity as the Company Directors and signed on behalf of the Trustees:

Group Captain M Williams
Trustee and Chair of the Finance and Risk Committee

Dated: 20 August 2021

2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ROYAL AIR FORCE CENTRAL FUND
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of Royal Air Force Central Fund ('the parent charity') and its subsidiary ('the group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of the group's 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Report of the Trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 or a material misstatement of the other information. 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 Report of the Trustees which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included within the Report of the Trustees.

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

- adequate and proper 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 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 set out on page 52, the trustees (who are also the directors of the parent charity 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's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the charity and its activities, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and the Charities Statement of Recommended Practice.

We evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to use of restricted funds, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the trustees and management their policies and procedures regarding compliance with laws and regulations;

- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the group and the parent charity which were contrary to applicable laws and regulations, including fraud.

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

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

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

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

Use of the audit report

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed: N J Wakefield

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

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

Date: 17 September 2021

The Royal Air Force Central Fund
Company No: 8555984

Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account) for the year ended 31 December 2020

	Note	Unrestricted Fund	Designated Fund	Expendable Endowment Fund	Restricted Fund	Total 2020	Total 2019
		£	£	£	£	£	£
Income	2						1
Donations		104,889	40,060	-	29,665	**174,614**	66,769
Charitable Activities		729	524,615	-	-	**525,344**	170,970
Trading Activities		891,120	2,913,562	-	-	**3,804,682**	2,881,902
Investment Income		631,477	337	-	388	**632,202**	871,249
Other Income		1,000	-	-	-	**1,000**	126,339
Total Income		**1,629,215**	**3,478,574**	-	**30,053**	**5,137,842**	4,117,229
Expenditure	3						
Charitable Activities		464,775	1,861,535	-	43,664	**2,369,974**	2,994,655
Raising Funds							
Sports Lottery Operations & Fundraising Trading		-	1,434,443	-	-	**1,434,443**	1,595,222
Sports Lottery Redevelopment & Relaunch		99,976	-	-	-	**99,976**	13,330
Trading Activities		-	-	339,197	-	**339,197**	242,756
Total Expenditure		**564,751**	**3,295,978**	**339,197**	**43,664**	**4,243,590**	4,845,963
Net Gains on Investments		-	291	872,464	-	**872,755**	4,923,959
Net Income/(Expenditure)		**1,064,464**	**182,887**	**533,267**	**(13,611)**	**1,767,007**	4,195,225
Transfers between Funds		(1,064,464)	(138,612)	1,203,076	-	**-**	-
Net Movement in Funds		**-**	**44,275**	**1,736,343**	**(13,611)**	**1,767,007**	4,195,225
Total Funds Bought Forward		-	3,775,417	38,638,579	588,594	**43,002,590**	38,807,365
Total Funds Carried Forward		-	3,819,692	40,374,922	574,983	**44,769,597**	43,002,590

The Group has no recognised gains or losses for the year other than as detailed above.

The Royal Air Force Central Fund
Company No: 8555984

Consolidated and Charity Balance Sheets as at 31 December 2020

	Note	**Group Total 2020**	Group Total 2019	**Charity Total 2020**	Charity Total 2019
		£	£	**£**	£
Fixed Assets:					
Intangible Asset	8	**30,601**	29,411	**30,601**	29,411
Tangible Assets	9	**1,805,499**	1,764,517	**1,805,499**	1,764,517
Heritage Assets	9	**47,016**	47,016	**47,016**	47,016
Investments	10	**41,991,679**	41,302,658	**41,991,679**	41,302,658
Total Fixed Assets		**43,874,795**	43,143,602	**43,874,795**	43,143,602
Current Assets:					
Debtors	11	**1,024,980**	281,012	**262,199**	339,468
Cash at Bank and in Hand		**1,607,795**	1,390,490	**1,536,093**	1,344,226
Investments	10	**-**	-	**-**	-
Total Current Assets		**2,632,775**	1,671,502	**1,798,292**	1,683,694
Creditors: Amounts Falling due Within One Year	12	**1,737,973**	1,812,514	1,644,527	1,790,456
Net Current Assets/(Liabilities)		**894,802**	(141,012)	**153,765**	(106,762)
Total Assets less Current Liabilities		**44,769,597**	43,002,590	**44,028,560**	43,036,840
Creditors: Amounts Falling due After One Year	12	**-**	-	**-**	-
Net Assets		**44,769,597**	43,002,590	**44,028,560**	43,036,840
Reserves	13				
Expendable Endowment Fund		**40,374,922**	38,638,579	39,633,885	38,672,829
Designated Funds		**3,819,692**	3,775,417	3,819,692	3,775,417
Restricted Funds		**574,983**	588,594	574,983	588,594
Total Funds		**44,769,597**	43,002,590	**44,028,560**	43,036,840

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

The financial statements on pages 55-75 were approved by the Board of Trustees on 20 August 2021 and were signed on their behalf by:

Group Captain M Williams
Trustee and Chair of the Finance and Risk Committee

The Royal Air Force Central Fund
Company No: 8555984

Consolidated Statement of Cash Flows for the year ended 31 December 2020

	2020 £	2019 £
Cash flow from Operating Activities		
Net cash used in operating activities	(812,284)	(1,343,280)
Cash flows from Investing Activities:		
Dividend Receipts	632,202	854,250
Fixed asset additions	(114,912)	1,410,098
Intangible fixed asset additions	(10,631)	-
Proceeds from Sale of Investments	13,086,037	25,759,044
Payment to Purchase Investments	(12,563,107)	(28,486,726)
Net cash provided by / (used in) investing activities	1,029,589	(445,500)
Change in Cash & Cash Equivalents	217,305	(1,788,780)
Cash & Cash Equivalents at 1 January	1,390,490	3,179,270
Cash & Cash Equivalents as at 31 December	**1,607,795**	**1,390,490**

Notes to the Cash Flow Statement

Reconciliation of net income to net cash flow from operating activities	**2020 £**	**2019 £**
Net income for the period	1,767,007	4,195,225
Adjustment for:		
(Gains) on Investments	(872,755)	(4,923,959)
Investment income	(632,202)	(871,249)
Investment Management Fees	(339,197)	(242,756)
Depreciation / Amortisation	83,372	-
(Increase)/ Decrease in Debtors	(743,968)	9,339
Grants recognised in excess of payment	-	311,765
(Decrease)/Increase in Other Creditors	(74,541)	178,355
Net Cash used in operating activities	**(812,284)**	**(1,343,280)**

Analysis of Cash & Cash Equivalents

	31 December 2019 £	Cash flow £	31 December 2020 £
Cash in hand	1,390,490	217,305	1,607,795
Total Cash & Cash Equivalents	**1,390,490**	**217,305**	**1,607,795**

Notes to the Financial Statements for the Year to 31 December 2020

Principal Accounting Policies 2020

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom, the Accounting Regulations issued under the Charities Act 2011, the Statement of Recommended Practice: “Accounting and Reporting by Charities (FRS102)” and the Companies Act 2006. A summary of the significant accounting policies is set out below.

The RAF Central Fund 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 note(s). The Trustees consider it is appropriate for these accounts to be prepared on the going concern basis.

The trustees have reviewed detailed cash flow projections to 31 July 2022 and have agreed detailed budgets for the year ended 31 December 2021. Both sources of income and types of expenditure have been reviewed. Whilst one of the main charitable purposes of the Fund is to support current RAF personnel through individual grants and grants to the sports associations, the level of this necessary expenditure is at the discretion of the trustees and can be adjusted during the year. The trustees have also considered the Group's working capital and capital expenditure requirements. As a result of the foregoing the trustees are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Historical Cost Convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market values and are in accordance with the Statement of Recommended Practice “Accounting and Reporting by Charities (FRS102)”, applicable Accounting Standards and the Charities Act 2011.

Consolidation

The wholly owned trading subsidiary of the Royal Air Force Central Fund, the Royal Air Force Central Fund Trading Ltd (company number: 087475222) was taken out of dormancy in 2018. On this basis, the financial statements are consolidated.

Income

Investment income is accounted for when received and comprises dividend income and interest on cash deposits. Income from Gilts is accounted for net of any previously incurred transaction costs.

Endowed grants are funds returned to the charity following the rare occurrence of a closure of an RAF station and are recognised as soon as receipt is probable and the value of the returned grant monies can be reliably measured.

Other income is recognised on an accruals basis in accordance with the income recognition requirements of FRS102.

The Fund received a government grant in 2020 from the Coronavirus Job Retention Scheme. This is recognised as a donation.

Expenditure

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation for the charity to make payment. All costs have been directly attributed to one of the functional categories of expenditure in the Statement of Financial Activities.

Any irrecoverable VAT is charged to the Statement of Financial Activities, or capitalised as part of the cost of the related asset, where appropriate.

Principal Accounting Policies 2020 (continued)

Cost of raising funds includes investment managers' fees and the costs in running the RAF Sports Lottery, including prizes.

Charitable activities consists of grant awards and associated direct and indirectly allocated support costs. Grants payable are charged to the Statement of Financial Activities in the year in which the offer is conveyed to the recipient.

Support costs consist of salary and other expenditure incurred to facilitate the administration and governance of the charity. Support costs are directly attributed to activities where it is possible to allocate to the activity on a basis of use of resource. Where it is not possible to directly attribute support costs, these are apportioned by the estimated percentage of time utilised by employees on each activity.

Taxation Status

The charity is exempt from corporation or income taxation based on the charity applying all of its income and gains for wholly charitable purposes.

Intangible Fixed Assets

Intangible fixed assets are measured at cost less accumulated amortisation.

Software development costs are recognised as an intangible asset when all of the following criteria are demonstrated:

- How the software will generate probable future economic benefits;
- The availability of adequate resources to complete the development and use the software;
- The ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method.

The intangible assets are amortised over the following useful economic lives:

Software development costs	2 years

Intangible assets are not subject to amortisation in the year of recognition, with a full year charged each period thereafter.

Tangible Fixed Assets and Depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.

Due to the unique nature of the charity's properties, they are held at carrying value as there is no available market value or methodology to reliably measure their fair values. The Trustees consider that the realisable value of the property is well in excess of its carrying value and accordingly any depreciation charge is immaterial.

It is the Fund's policy to capitalise all assets with a combined purchase value in excess of £5,000.

Depreciation is calculated on a straight line basis across the expected useful life of the asset class:

Website Development	2 years
Computers and Information Technology	3 years
Fixtures & Fittings	10 years
Buildings	30 years

Principal Accounting Policies 2020 (continued)

Depreciation is not charged in the year of acquisition, with a full year charged in the year of disposal.

The Fund owns a number of items of heritage silverware, including the Fincastle Trophy and Gill Sword which are loaned to RAF Messes, units and individuals to promote and support esprit de corps. These items hold significant cultural importance to the Royal Air Force and are capitalised in the accounts in line with their insurance valuation and are not depreciated due to the enduring life scale. The Fund additionally owns two paintings which hang in the Ministry of Defence building in London.

Investments and Gains and Losses on Investment Assets

Quoted investments and investment property are stated at market value at the balance sheet date.

Gains and losses arising on investment assets, both through sale and changes in valuation, are taken to the Statement of Financial Activity in the year they occur. Gains include a cash rebate received by the charity for retail investment management fees arising from holding in-house funds; the Fund pays institutional investment management fees that are based on the capital value of the Charity's investment portfolio.

Funds Structure

The expendable endowment fund represents the original capital of the Charity. This is maintained wherever possible. Income from the endowment fund is unrestricted.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

The restricted fund represents the Mechanics Fund. These funds may only be used for the benefit of trainees, especially those in the engineering disciplines.

Pensions

The Fund operates a defined contribution workplace pension scheme for the benefit of all eligible employees. The assets of the scheme are administered by an independent pension provider, with employer pension payments recognised as an expense during the year of payment.

Prior to March 2014 the charity made contribution towards the cost of pensions being paid to previous past employees of a by analogy Principal Civil Service Pension Scheme (PCSPS). Entry to the scheme is closed to new employees of the charity. In line with HM Treasury guidance, the charity accounted for the contributions in the Statement of Financial Activity in the year in which they were incurred.

Following the transfer in March 2014, the obligation to meet these contributions as they fall due vests with the RAF Sports Federation (previously known as the RAF Sports Board).

Note 1 Statement of Financial Activities Analysis for the year-ended 31 December 2019

	Unrestricted Fund	Designated Fund	Expendable Endowment Fund	Restricted Fund	Total 2019
	£	£	£	£	£
Income					
Donations	24,369	42,400	-	-	**66,769**
Charitable Activities	55,967	115,003	-	-	**170,970**
Trading Activities	-	2,881,902	-	-	**2,881,902**
Investment Income	868,950	1,462	-	837	**871,249**
Other Income	126,339	-	-	-	**126,339**
Total Income	**1,075,625**	**3,040,767**	-	**837**	**4,117,229**
Expenditure					
Charitable Activities	871,411	2,028,744	-	94,500	**2,994,655**
Raising Funds					
Sports Lottery Operations & Fundraising Trading	-	1,595,222	-	-	**1,595,222**
Sports Lottery Redevelopment & Relaunch	-	-	-	-	**-**
Trading Activity	13,330	-			**13,330**
Investment Management Costs	-	-	242,756	-	**242,756**
Total Expenditure	**884,741**	**3,623,966**	**242,756**	**94,500**	**4,845,963**
Net gains/(losses) on investments	-	319	4,936,347	(12,707)	**4,923,959**
Net Income/(Expenditure)	**190,884**	**(582,880)**	**4,693,591**	**(106,370)**	**4,195,225**
Transfers between Funds	(190,884)	(1,392,425)	1,583,309	-	**-**
Net Movement in Funds	**-**	**(1,975,305)**	**6,276,900**	**(106,370)**	**4,195,225**
Total Funds Bought Forward	-	5,750,722	32,361,679	694,964	**38,807,365**
Total Funds Carried Forward	-	3,775,417	38,638,579	588,594	**43,002,590**

Notes to the Financial Statements for the Year to 31 December 2020

Note 2 Income

		2020	2019
		£	£
Donations	Donations	**154,054**	66,769
	Government Grant	**20,560**	-
		174,614	66,769
Charitable Activities	Returned Grants	**525,344**	168,985
	Hire of Fund Welfare Facilities	**-**	1,985
		525,344	170,970
Trading Activities	Lottery Ticket Sales	**2,913,562**	2,881,682
	Other Trading Income	**891,120**	220
		3,804,682	2,881,902
Investment Income	Dividends on Investments	**632,202**	853,415
	Investment Dividend Tax Reclaims	-	17,834
	`	**632,202**	871,249
Other Income	Miscellaneous Receipts	1,000	500
	Creditor Write off	-	125,839
		1,000	126,339

All amounts relate to unrestricted income with the exception of £388 (2019: £837) of investment income which is allocated to restricted funds.

Note 3 Expenditure

		2020	2019
		£	£
Raising Funds	RAF Sports Lottery Operations	**1,434,443**	1,595,222
	Investment Management Fees	**339,197**	242,756
	Trading Company Activity	**99,976**	13,330
		1,873,616	1,851,308
Charitable Activities*	Enrichment Facilities and Projects	**176,723**	330,798
	Sports Association Grants	**1,167,113**	1,243,913
	Development Through Sports Grants	**711,127**	798,162
	Sports Facilities	**309,110**	615,335
	Grants to Service Support Charities	**5,901**	6,447
		2,369,974	2,994,655

* See Note 4 for analysis of support costs

Notes to the Financial Statements for the Year to 31 December 2020

Note 4 Support Costs

	Raising Funds	Charitable Activity	Total Cost 2020	Total Cost 2019
	£	£	£	£
Staff Costs	104,056	362,433	**466,489**	373,755
Other Costs	44,368	136,385	**197,457**	296,094
	148,424	498,818	**663,946**	669,849

The support cost elements of staff and other expenses have been attributed on a basis consistent with the use of resources. Where costs cannot be allocated directly to activities, they are apportioned by the estimated percentage of time spent by each employee on each activity.

Note 5 Audit Fees

	2020	2019
	£	£
Auditors' Fees for Reporting on the Accounts - Charity	**15,914**	14,106
Auditors' Fees for Reporting on the Accounts - Trading Subsidiary	**3,650**	**-**
	19,564	14,106

Note 6 Trustees & Employees

6.1 Staff Costs

	2020	2019
	£	£
Wages and Salaries	**420,479**	334,158
Employer's National Insurance Costs	**37,656**	30,053
Employer's Pension Costs	**8,354**	4,766
	466,489	368,977

Support costs are included in the overall expenditure totals for each activity at Note 3.

During 2020 the Fund continued to utilise the services of temporary members of staff to support its ongoing activities. These services were supplied under contract at a cost for the period of £20,347 (2019: £3,633).

These costs are not included as direct staff costs above, however are recognised within other support costs and allocated to activities as indicated within Note 4.

1 employee earned between £60,001 and £70,000 during the period (2019: 2, £60,001 and £70,000).
1 employee earned between £110,001 and £120,000 during the period (2019, 0).

The Fund made payment to its key management personnel of £178,063 during 2020 (2019: £146,045).

6.2 Average Headcount	2020 Average	2019 Average
Full-Time	**10.30**	8.80
Part-Time	**2.00**	2.70
	12.30	11.50

6.3 Payments to Trustees

Aside from the payment noted above, Trustees neither received nor waived any emoluments during 2020 (2019: £nil). Out of pocket expenses were reimbursed to Trustees as follows:

	2020	2020	2019	2019
Travel	No	£	No	£
Travel	-	-	13	923

Note 7 Grants

	Grants 2020 £	Support Costs 2020 £	Total Grants 2020 £	Total Grants 2019 £
Enrichment Facilities and Projects	39,239	137,485	**176,724**	344,128
Sports Association Grants	1,049,561	117,552	**1,167,113**	1,243,913
Development Through Sports Grants	587,888	123,238	**711,126**	798,161
Sports Facilities	194,468	114,642	**309,110**	615,336
Grants to Service Support Charities	-	5,901	**5,901**	6,448
	1,871,156	**498,818**	**2,369,974**	3,007,986

Note 7 Grants (continued)

Grants made to Institutions

Grants with a value in excess of £25,000 are shown individually:

	Grant Award 2020 £	Grant Award 2019 £
RAF Cosford	**49,670**	16,947
RAF Coningsby	**49,670**	42,374
RAF Video Games and Esports Association	**-**	243,500
RAF Akrotiri	**3,864**	67,990
RAF Odiham	**-**	39,424
RAF Halton	**-**	44,604
RAF Honington	**7,170**	77,506
RAF Northolt	**20,000**	26,760
RAF Cranwell	**3,941**	50,432
Deployed Forces	**48,488**	16,225
RAF Motor Sports Association	**75,376**	80,376
RAF Winter Sports Association	**95,818**	111,543
RAF Ski Championships	**37,461**	38,033
RAF Rugby Union Association	**28,312**	30,213
RAF Sailing Association	**78,819**	78,819
RAF Angling Association	**46,193**	37,968
RAF Bobsleigh, Luge and Skeleton Association	**117,375**	98,375
RAF Small Arms Association	**49,536**	68,036
RAF Golf Association	**44,220**	37,220
RAF Swimming Association	**36,930**	24,010
RAF Football Association	**35,968**	49,818
RAF Gliding & Soaring Association	**26,779**	32,779
RAF Waterski & Wakeboard Association	**27,856**	27,856
RAF Sports Parachuting Association	**26,510**	26,510
Others	**477,687**	507,866
	1,387,643	1,875,184

During the year 1,548 grants were made to individuals (2019: 2,291) at a value of £483,513 (2019: £639,096) to enable access to sport and physical activity.

Notes to the Financial Statements for the Year to 31 December 2020

Note 8 Intangible Fixed Assets

Group and Charity

	Software development £	Total £
Cost bought forward at 1 Jan 20	83,893	83,893
Additions	10,631	10,631
Cost carried forward at 31 Dec 20	**94,524**	94,524
Amoritisation bought forward at 1 Jan 20	54,482	54,482
Provision for Year	9,441	9,441
Amoritisation carried forward at 31 Dec 20	**63,923**	63,923
Net Book Value bought forwards at 1 Jan 20	29,411	29,411
Net Book Value carried forwards at 31 Dec 20	**30,601**	**30,601**

Note 9 Tangible Fixed Assets

Group and Charity

	Freehold land & buildings	Computers & Information Technology	Fixtures & Fittings	Heritage Assets	Total
	£	£	£	£	£
Cost bought forward at 1 Jan 20	1,568,137	32,142	225,663	47,016	1,872,958
Additions	93,347	21,565	-	-	114,912
Cost carried forward at 31 Dec 20	**1,661,484**	**53,707**	**225,663**	**47,016**	**1,987,870**
Depreciation bought forwards at 1 Jan 20	-	21,924	39,501	-	61,425
Provision for year	46,553	4,784	22,594	-	73,931
Depreciation carried forwards at 31 Dec 20	**46,553**	**26,708**	**62,095**	-	135,356
Net Book Value bought forwards at 1 Jan 20	1,568,137	10,218	186,162	47,016	1,811,533
Net Book Value carried forwards at 31 Dec 20	**1,614,931**	**26,999**	**163,568**	**47,016**	**1,852,514**

Freehold land and buildings consists of the charity's properties at: Vine Lane, Danesfield and Feshiebridge Lodge.

Note 9 Tangible Fixed Assets (continued)

The Fund additionally owns the Halton Tennis Centre. In 2007 the Trustees signed a 999 year agreement to lease the Centre to the RAF Lawn Tennis Association. The agreement places the responsibilities for the maintenance, insurance and upkeep of the property with the Association as the tenant. In accordance with FRS102, the carrying value of the Halton Tennis Centre, being the cost of purchase of the Centre from the Secretary of State in 2007 of £255,200 is not recognised in the financial statements as the charity has no rights or responsibilities with regards to the property until the lease completes in 3006.

Vine Lane was donated to the Fund on 1 July 1964 and is currently utilised under licence from the Fund by the RAF Cricket Association as the Home for Sport for RAF Cricket.

The land at Danesfield was originally purchased in conjunction with the Nuffield Trust for the Forces of the Crown ('the Nuffield Trust'). The site was wholly made over to the Fund under a deed dated March 1982, with the Fund acquiring the totality of the site for a cost of £26,300. The site is currently utilised under licence from the Fund by the RAF Rowing and Canoeing Associations as the Homes for Sport for RAF Rowing and Canoeing and by 22 Group (RAF) to provide facilities for force development and adventurous training for RAF personnel.

Feshiebridge Lodge was purchased in 1989 for £139,187. The asset has been included in the balance sheet at £139,187. Originally purchased as an adventure training centre, the Lodge is now wholly focussed on providing an enrichment welfare and recreational centre for personnel and their families. Work was completed on the site in 2020. Costs incurred were £1,489,947.

Note 10 Investments

Group and Charity

10.1 Fixed Assets Investments	**2020**	**2019**
	£	**£**
Carrying value bought forward	41,037,158	34,852,101
Additions to investments at cost	12,563,107	28,486,726
Disposals at carrying value	(12,481,340)	(27,225,628)
Realised (loss)/gain on sale	(710,114)	2,643,400
Unrealised revaluation movement	1,582,868	2,280,559
Carrying value carried forward	**41,991,679**	41,037,158
Historic cost as at 31 December	**41,763,456**	37,207,519

10.2 Analysis of Investments	**Market Value 31 December 2020**	Market Value 31 December 2019	**Income from Investments 2020**	Income from Investments 2019
	£	£	**£**	£
Property Fund Investments	**-**	-	**-**	175,625
Allianz Portfolio Investments	**31,871,281**	35,341,292	**555,103**	693,326
Mechanics Fund Investments	**614,762**	646,974	**388**	837
Blackrock Charinco Common Investment Fund	**15,327**	14,830	**337**	1,461
Insight Global ABS Fund	**4,896,183**	5,034,062	**76,374**	-
Marathon - Distressed Credit Fund	**402,960**	-	**-**	-
Savills - Charities Property Fund	**3,783,821**	-	**-**	-
Cash held within Allianz Portfolio	**407,345**	265,500	**-**	-
Cash held as Part of the Property Portfolio	**-**	-	**-**	-
Fixed Asset Investments	**41,991,679**	41,302,658	**632,202**	871,249

Note 10 Investments (continued)

10.3 Material Investment Holdings

The following investments represent holdings in excess of 5% of the portfolio at the period end within the total investment portfolio (excluding direct property investments):

	Market Value £	Percentage of Portfolio
AGI UK Equity Income A	**7,145,066**	**17%**
AGI Global Equity	**12,915,496**	**31%**
AGI UK Gilt Yield I	**2,281,660**	**5%**
ISHARES Core GBP Corporate Bonds	**6,069,115**	**14%**
ISHARES II Plc	**3,459,943**	**8%**
Insight Global ABS Fund	**5,363,005**	**13%**
Marathon - Distressed Credit Fund	**402,960**	**1%**
Savills - Charities Property Fund	**3,783,821**	**9%**

Note 11 Debtors and Prepayments

Group

Analysis of Debtors	**2020**	2019
	£	£
Trade Debtors	**61,286**	18,107
Prepayments and Accrued Income	**963,694**	262,905
	1,024,980	281,012

Charity

Analysis of Debtors	**2020**	2019
	£	£
Trade Debtors	**12,801**	8,270
Prepayments and Accrued Income	**249,398**	331,198
	262,199	339,468

Accrued income consists of monies collected by the charity's External Lottery Manager from RAF Sports Lottery players, not yet received by the Fund or utilised in play.

Note 12 Creditors and Accruals

12.1 Analysis of Creditors falling due within one year

Group	**2020**	2019
	£	£
Committee Grant Creditors	**142,923**	283,814
Sports Grant Creditors	**1,052,184**	967,284
Tax and Social Security Creditors	**14,507**	18,375
Accruals and Deferred Income	**461,050**	401,407
Other Creditors	**67,309**	141,634
	1,737,973	1,812,514

Note 12 Creditors and Accruals (Continued)

12.1 Analysis of Creditors falling due within one year (Continued)

Charity

	2020 £	2019 £
Committee Grant Creditors	**142,923**	283,814
Sports Grant Creditors	**1,052,184**	967,284
Tax and Social Security Creditors	**13,273**	16,895
Accruals and Deferred Income	**382,683**	387,817
Other Creditors	**53,464**	134,646
	1,644,527	1,790,456

Note 13 Funds

13.1 Funds Held

Fund Name	Type	Purpose and Restrictions
Expendable Endowment	Expendable Endowment	Expendable Endowment for RAF Central Fund. Monies transferred into the RAF Central Fund upon close of the Mechanics Endowment Fund. Restricted for the benefit of RAF trainees, especially those in the engineering disciplines.
Mechanics Fund	Restricted	
Vine Lane	Designated	Funds generated to support the ongoing maintenance and activities at Vine Lane.
Feshiebridge Lodge	Designated	Funds generated to support the ongoing maintenance and welfare activities at Feshiebridge Lodge.
Danesfield	Designated	Funds generated to support the ongoing maintenance and activities at Danesfield.
RAF Sports Board Pension Fund	Designated	Funds transferred from unrestricted funds to support potential future payments to RAF Sports Board pensioners (see additionally note 14).
Sports Lottery Fund	Designated	Income generated through the RAF Sports Lottery designated for distribution to benefit RAF sports related grants.

13.2 Movements of Major Funds

Fund Names	Fund balances bought forward £	Income £	Expenditure £	Transfers £	Gains and losses £	Group balances carried forward £	Charity balances carried forward £
General Reserves	-	1,629,215	(564,751)	(1,064,464)	-	**-**	**-**
Expendable Endowment Fund	38,638,579	-	(339,197)	1,203,076	872,464	**40,374,922**	**39,633,885**
Mechanics Endowment Fund	588,594	30,053	(43,664)	-	-	**574,983**	**574,983**
Vine Lane Fund	91,124	-	(22,469)	27,838	-	**96,493**	**96,493**
Feshiebridge Lodge Fund	1,571,914	337	(3,120)	(41,596)	291	**1,527,826**	**1,527,826**
Danesfield Fund	160,258	40,060	(34,921)	4,382	-	**169,779**	**169,778**
RAF Sports Board Pension Fund	380,822	-	-	24,477	-	**405,299**	**405,299**
Sports Lottery Fund	1,571,299	3,438,177	(3,235,468)	(153,713)	-	**1,620,295**	**1,620,295**
Total Funds	**43,002,590**	**5,137,842**	**(4,243,590)**	**-**	**872,755**	**44,769,597**	**44,028,560**

13.3 Transfers Between Funds

From Fund (Name)	To Fund (Name)	Reason	Amount
General Reserves	Expendable Endowment Fund	Support 2020 Grant Awards	1,064,464
Sports Lottery Fund	Expendable Endowment Fund	Support 2020 Grant Awards	138,612
Expendable Endowment Fund	Vine Lane Fund	Support 2020 Activities Vine Lane	27,838
Feshiebridge Lodge Fund	Expendable Endowment Fund	Support 2020 Activities Feshiebridge Lodge	41,596
Expendable Endowment Fund	Danesfield Fund	Support 2020 Activities Danesfield	4,382
Expendable Endowment Fund	RAF Sports Board Pension Fund	Recognition of Adjustment to Potential Future Pensioner Expense	24,477

13.4 Analysis of Net Funds

	Expendable Endowment	Designated Funds	Restricted Funds	Total Funds
	£	£	£	£
Intangible Fixed Assets	-	30,601	-	**30,601**
Tangible Fixed Assets	280,057	1,572,458	-	**1,852,515**
Fixed Asset Investments	39,574,193	1,802,723	614,763	**41,991,679**
Net Current Assets/(Liabilities)	520,672	413,910	(39,780)	**894,802**
Total Net Assets	**40,374,922**	**3,819,692**	**574,983**	**44,769,597**

Note 14 Commitments and Contingent Liabilities

Prior to March 2014, the Fund made contributions towards the costs of pensions being paid to these past employees under a by analogy Principal Civil Service Pension Scheme ('PCSPS'). Under the terms of the 2014 transfer agreement, the enduring commitment to meet these contributions were transferred to the RAF Sports Board (now the RAF Sports Federation) with effect from the date of the transfer. The Fund accounted for the scheme until March 2014 as if it were a defined contribution scheme in line with current HM Treasury guidance.

At the 2020 year-end there is sufficient uncertainty with regards to the exact status of the Fund's pension situation to deem it inappropriate to recognise a provision for future payments in respect of past service of former employees in the financial statements.

To ensure that optimal clarity is provided, the Trustees have designated funds at the year-end to a level they consider represent the best estimate of any potential constructive obligation relating to this matter.

Notes to the Financial Statements for the Year to 31 December 2020

Note 15 Endowed Grants

Historically the Fund has provided grant funding to support the introduction of any new Mess or Junior Rank Welfare Fund facilities. Grant funding has been provided on the basis that the unit has no power to convert the capital provided into income and that the grant funding provided is to be held indefinitely.

All entities granted these permanently endowed grant funds must invest and seek to maintain the grant at a value no less than the original endowed grant monies, subject to market value losses and deflation. Income generated from the invested funds are restricted to support the appropriate charitable activities of the associated Mess or Junior Ranks Welfare Fund.

Endowed grant funds are returned to the Fund only on the extremely rare occurrence of the closure of an RAF station and its associated Messes and Junior Rank Welfare Funds. Due to the expectation that funds will be retained indefinitely at the stations, the Fund considered these to represent contingent assets and hence no value is recognised in the financial statements.

The value of endowed grant funds held at units as at 31 December 2020 is deemed to be £2,291,660 (2019: £2,314,725).

Note 16 Transactions with Related Parties

There are no outstanding related party transactions as at 31 December 2020.

Notes to the Financial Statements for the Year to 31 December 2020

Note 17 – Subsidiary Entities

The results of the Fund's wholly owned subsidiary elements are within the Consolidated SOFA as follows:

	2020	2019
	£	£
Income		
Trading Activities	891,778	1,117,802
Total Income	**891,778**	1,117,802
Expenditure		
Trading Activities	133,453	1,135,347
Total Expenditure	**133,453**	1,135,347
Net Result of Subsidiary	**758,325**	(17,545)

RAF Central Fund Trading Ltd

Company Number: 8747522

A company set up for the RAF Central Fund to conduct trading in supports of its charitable objectives. The inter-company balance owed to the Trading Company was £6,814 (2019: £11,487).

During the year the Trading Company was re-charged £35,391 and charged the Fund £24,910.

Directors:

Dr Eamon Molloy
Gp Capt (Retd) Mark Williams
Mr John Michaelson
Mr Ross Perriam

Note 18 - Outstanding Commitments

The Fund had no outstanding commitments as at 31 December 2020. (2019: £5,350).

Principle Office
RAF Central Fund
Cournswood House
North Dean
Buckinghamshire
HP14 4NW
01494 569068

Registered Office
RAF Central Fund
Hurricane Building
HQ Air Command
RAF High Wycombe
Buckinghamshire
HP14 4UE

RAFCentralFund www.rafcf.org.uk

The RAF Sports Lottery operates as a society lottery within the Royal Air Force Central Fund and is licensed and regulated by the Gambling Commission (www.gamblingcommission.gov.uk). The Royal Air Force Central Fund is a company registered in England and Wales 8555984, Charity registered in England and Wales 1152560, Charity registered in Scotland SC044299

BeGambleAware.org