



ROYAL AIR FORCE CENTRAL FUND ANNUAL REPORT



2023

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 Subramaniam	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 Blagrove 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



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.

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)




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.

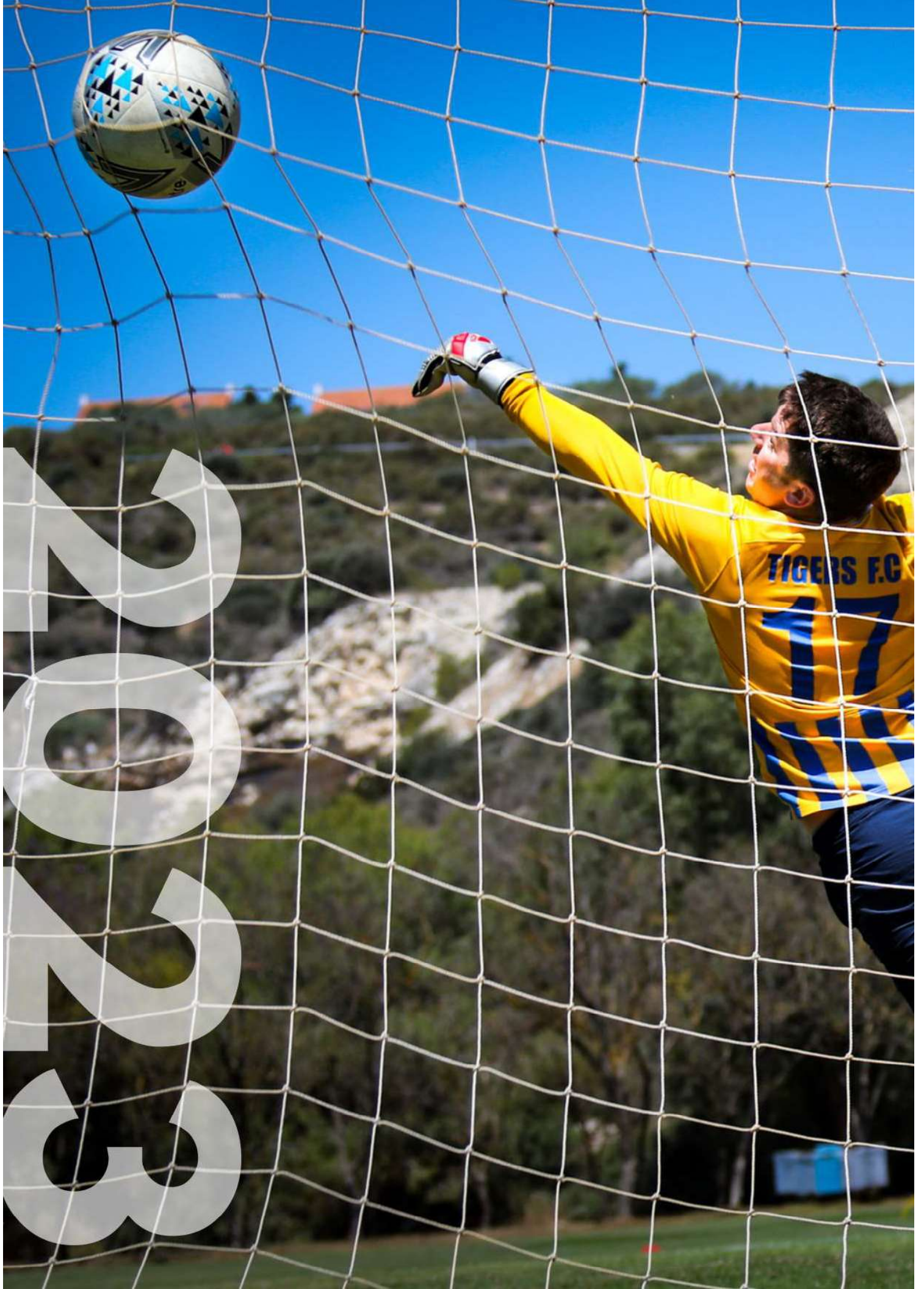
For all serving personnel to develop their full potential through sport and physical activity.

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.





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.





2023

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

50+



**BRIEFINGS & VIRTUAL
MEETINGS**

40+



**SPORT ASSOCIATION
MEETINGS/EVENTS**



RAF AIRSHOW

8

**HEALTH &
WELLBEING DAYS**



**STATION
ENGAGEMENT
DAYS**

6

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

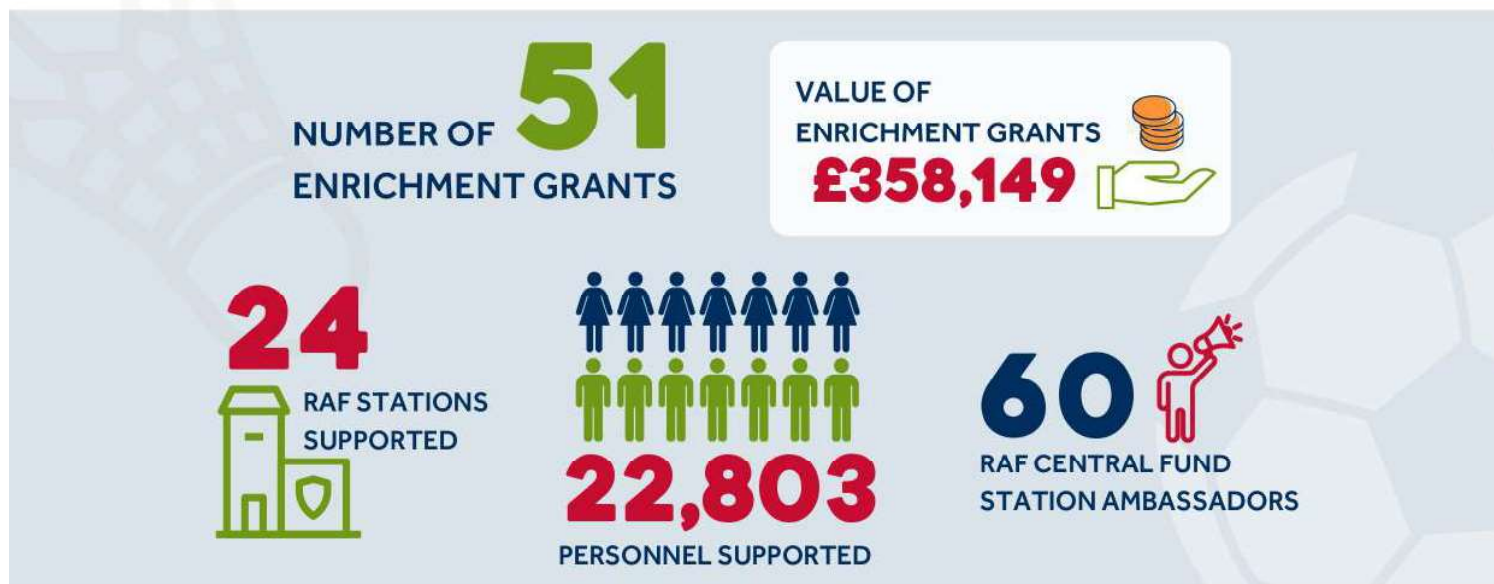
In addition restricted contributions were made to some of the Sports Associations by the RAF Sports Federation amounting to £101,455.

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.



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

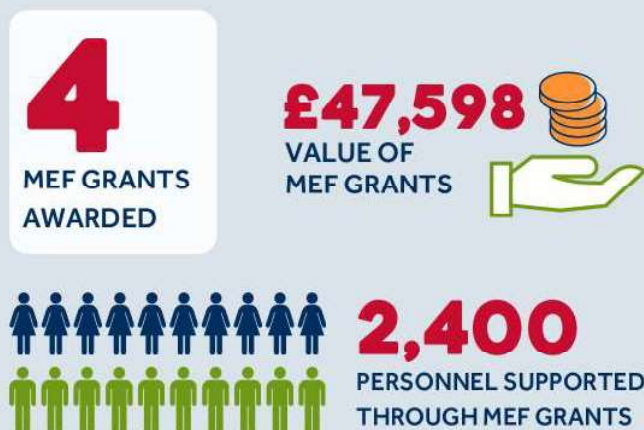
1,778
DEVELOPMENT
LEVEL GRANTS

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.



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.





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.

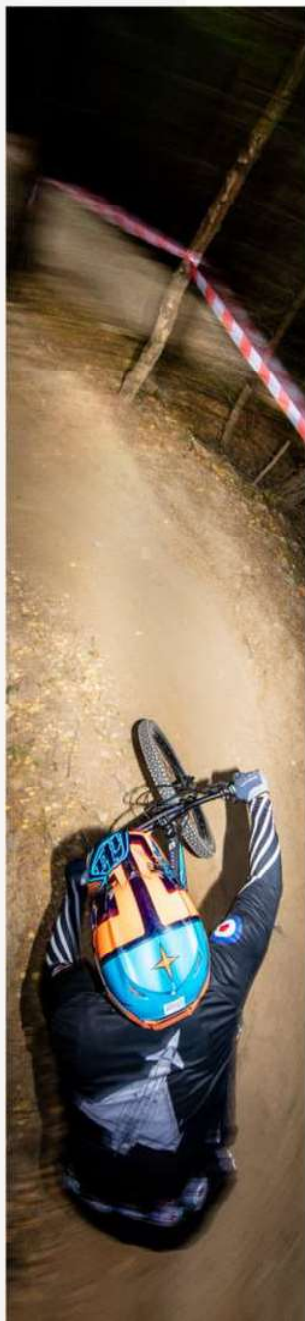
This represented an opportunity to significantly improve the operating model for RAF Sport for the benefit of the Service and personnel within. By completing a merger process we are able to revolutionise the delivery and governance of RAF Sport which will provide significant, lasting and measurable benefit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





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.





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.





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.





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



2023



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) Regulations 2006 (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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ROYAL AIR FORCE CENTRAL FUND

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' responsibilities statement, 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:

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

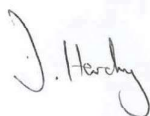
TO THE MEMBERS OF ROYAL AIR FORCE CENTRAL FUND

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

		Unrestricted Fund	Expendable Endowment Fund	Restricted Fund	Total 2023	Restated Total 2022
Note		£	£	£	£	£
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								
Expendable Endowment Fund	13	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

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the Year to 31 December 2023

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.

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the Year to 31 December 2023

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.

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the Year to 31 December 2023

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)

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the Year to 31 December 2023

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.

THE ROYAL AIR FORCE CENTRAL FUND

Notes to the Financial Statements for the Year to 31 December 2023

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.

THE ROYAL AIR FORCE CENTRAL FUND

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

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

THE ROYAL AIR FORCE CENTRAL FUND

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

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

THE ROYAL AIR FORCE CENTRAL FUND

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

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.

THE ROYAL AIR FORCE CENTRAL FUND

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

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
Amortisation 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.

THE ROYAL AIR FORCE CENTRAL FUND

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

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 £1	2022 £1
Brought forward and carry forward value		

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.

THE ROYAL AIR FORCE CENTRAL FUND

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

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

THE ROYAL AIR FORCE CENTRAL FUND

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 brought 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

THE ROYAL AIR FORCE CENTRAL FUND

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

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).

THE ROYAL AIR FORCE CENTRAL FUND

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

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

THE ROYAL AIR FORCE CENTRAL FUND

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

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)

THE ROYAL AIR FORCE CENTRAL FUND

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

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.