

THE ROYAL AIR FORCE BENEVOLENT FUND

England & Wales · Charity number 207327

Details

Status Registered

Legal form Other

Registered 1962-09-22

Register [View on the Charity Commission register](#)

Contact

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Website www.rafbf.org

Activities

Objects: A) THE MAINTENANCE, UPKEEP AND REPAIR OF THE WAR MEMORIAL KNOWN AS THE RAF MEMORIAL SITUATED AT VICTORIA EMBANKMENT LONDON. B) THE RELIEF AND ASSISTANCE BY ALL AVAILABLE MEANS OF ALL OF ANY OF THE FOLLOWING CLASSES OF BENEFICIARIES WHO ARE IN NEED OF SUCH RELIEF OR ASSISTANCE BY REASON OF POVERTY DISABILITY SICKNESS INFIRMITY OR OTHERWISE NAMELY: (I) ALL PERSONS OF ALL RANKS WHO ARE OR HAVE OR SHALL HAVE AT ANY TIME OR SHALL BE MEMBERS OF THE ROYAL AIR FORCE, THE AUXILIARY AIR FORCE, THE ROYAL AIR FORCE RESERVES, THE WOMEN'S ROYAL AIR FORCE AND THE WOMEN'S AUXILIARY AIR FORCE OR ANY SEPARATE DOMINION AIR FORCE OR MEMBERS OF ANY FORMER ORGANISATION THE PLACE OF WHICH HAS SUBSTANTIALLY BEEN TAKEN BY THE SAID ORGANISATIONS OR ANY OF THEM OR MEMBERS OF ANY FUTURE ORGANISATIONS WHICH HEREFTER SHALL SUBSTANTIALLY TAKE THE PLACE OF THE SAID ORGANISATIONS OR ANY OF THEM. (II) ALL PERSONS WHO SHALL AT ANY TIME HAVE BEEN OR BE WIDOWS CHILDREN OR OTHER DEPENDANTS OF ANY OF THE PERSONS ABOVE REFERRED TO PROVIDED THAT IN ORDER TO QUALIFY FOR SUCH RELIEF OR ASSISTANCE A MEMBER OR FORMER MEMBER OF A SEPARATE DOMINION AIR FORCE OR THE WIDOW OR OTHER DEPENDANT OF SUCH MEMBER OR FORMER MEMBER AS THE CASE MAY BE MUST AT THE TIME OF THE RELIEF OR ASSISTANCE BE NORMALLY RESIDENT IN THE UNITED KINGDOM. THE CHARITY IS LINKED TO 1081009 UNDER S.96(5) FOR ACCOUNTING PURPOSES ONLY.

Activities: Restricted and endowed funds of Charity no 1081009

Classification

- **How:** Other Charitable Activities
- **What:** Education/training, The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Other Charitable Purposes
- **Who:** Children/young People, Elderly/old People, Other Defined Groups

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£704,000	£854,000	£4,866,000	0
2023-12-31	£729,101	£895,991	£4,977,000	0
2022-12-31	£1,126,000	£1,472,000	£5,144,000	0
2021-12-31	£1,085,000	£1,010,000	£5,859,000	0
2020-12-31	£989,000	£2,291,000	£5,728,000	0

Trustees

Name	Role	Appointed
THE ROYAL AIR FORCE BENEVOLENT FUND		

Linked charities

- DOUGLAS TURNER BENEFACTION (207327-1)
- FLYING OFFICER G C BUXTON MEMORIAL FUND (207327-10)
- SQUADRON LEADER F E GODFREY FUND (207327-11)
- THE COSTAL COMMAND MEMORIAL SCHOLARSHIP FUND (207327-12)
- THE NEWTON DRIVER MEMORIAL FUND (207327-13)
- ALEXANDER DUCKHAM MEMORIAL TRUST FUND (207327-14)
- RONALD MORGAN ELMS SCHOLARSHIP (207327-15)
- SIMON EWDEN MEMORIAL FUND (207327-16)
- EDGAR SCHOLARSHIP FUND (207327-17)
- RICHARD ENGLAND MEMORIAL FUND (207327-18)
- FIGHTER COMMAND SCHOLARSHIP FUND (207327-19)
- AIR TRANSPORT AUXILIARY BENEVOLENT FUND (207327-2)
- FRERE MEMORIAL SCHOLARSHIP FUND (207327-20)
- FULMER FUND (207327-21)
- MARY MCCASKELL GRAHAM FUND (207327-22)
- ADELAIDE CATHERINE LOSCO FUND (207327-23)
- GROUP CAPTAIN W E PURDIN MEMORIAL FUND (207327-24)
- MRS H M JERHAM MEMORIAL FUND (207327-25)
- LAWRENCE OF ARABIA EDUCATIONAL FUND (207327-26)
- MIDDLE EAST RELIEF FUND (207327-27)
- N G WAR WORKER CANTEEN FUND (207327-28)
- RAF PILOTS AND CREW FUND (207327-29)
- EDWARD HORSFALL JUBB (207327-3)
- SWINNERTON MEMORIAL BURSARY (207327-30)
- FRANCIS MCNALLY EDUCATION FUND (207327-31)
- THE VISCOUNT WAKEFIELD BENEFACTION (207327-32)
- TECHNICAL TRAINING COMMAND SCHOLARSHIP FUND (207327-33)
- JOHN WILLIAM TATEM SCHOLARSHIP FUND (207327-34)
- PILOT OFFICER L K SYMONS SCHOLARSHIP FUND (207327-35)
- FLYING OFFICER A J STUART MEMORIAL FUND (207327-36)
- STRUBEN MEMORIAL FUND (207327-37)
- DAVID WATSON SMITH FUND (207327-38)
- SHATTOCK MEMORIAL SCHOLARSHIP FUND (207327-39)
- PETER HENRY SLATER-EIGGERT MEMORIAL FUND (207327-4)

- DUKE OF KENT SCHOOL PRIZES FUND (207327-40)
- MICHAEL SATON FUND (207327-41)
- SALTING BENEFACTION (207327-42)
- THE ROYAL AIR FORCE OFFICERS' WIVES' FUND (207327-43)
- RAF PRIZE FUND TRUST (207327-44)
- THE YARWOOD TRUST FUND (207327-45)
- THE WING COMMANDER MICHAEL MAYS MEMORIAL FUND (207327-46)
- THE GULF TRUST (RAF) (207327-47)
- THE PRINCESS MARINA HOUSE FUND (207327-48)
- HECTOR PILLING RAF MEMORIAL FUND (207327-49)
- AUXILIARY SQUADRONS FUND (207327-5)
- C M BAKER FUND (207327-6)
- THEODORE BAKER FUND (207327-7)
- BRITANNIA SHIELD SCHOLARSHIP FUND (207327-8)
- BRUCE MEMORIAL FUND (207327-9)

THE ROYAL AIR FORCE BENEVOLENT FUND

England & Wales - Charity number 207327

Accounts



**Royal Air Force
Benevolent Fund**

Annual Report

2024

Trustees' report and accounts for
the year ended 31 December 2024

Principals, Trustees and Executive Leadership Team

Patron

His Majesty The King

President

HRH The Duke of Kent KG
GCMG GCVO ADC

Life Vice-Presidents

Marshal of the Royal Air Force The Lord Craig of Radley GCB OBE MA DSc FRAeS

Air Chief Marshal Sir Michael Graydon GCB CBE ADC FRAeS

Air Chief Marshal Sir Stephen Hillier GCB CBE DFC MA

Air Chief Marshal Sir Richard Johns GCB KCVO CBE FRAeS

Lady Hillier

Air Chief Marshal Sir Roger Palin KCB OBE MA FRAeS FIPD

Air Chief Marshal Sir Stephen Dalton GCB ADC FRAeS ¹

Air Chief Marshal Sir Andy Pulford GCB CBE ADC ¹

Air Chief Marshal Sir Stuart Peach GBE KCB DL ¹

Air Chief Marshal Sir Michael Wigston KCB CBE ADC ¹

The Viscount Trenchard of Wolfeton DL ¹

Mr Lawrie Haynes CBE ¹

Vice-President

John Isabel

Council

Chair

Richard Daniel BSc (Hons) FRAeS

Deputy Chair

The Viscount Trenchard of Wolfeton DL

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Members

Patrick Aylmer FCA ²

Alison Benjamin BA (Hons)

Lady Mayhew BA (Hons) ²

Wing Commander (Ret'd) Sarah Davis MBA MSc FCIPD

Lady Hillier

Wing Commander (Ret'd) Marie-Noelle Orzel OBE QVRM MSc PGDE RGN RSCN

Chief of the Air Staff, Air Chief Marshal Sir Richard Knighton KCB ADC FREng

Deputy Chief of the Air Staff, Air Marshal Paul Lloyd CBE MSc MA MDA BEng CEng FIMechE RAF

Stepped down during the reporting period

Graeme Craig MA (31 Dec 2024)

Rachel Prendergast BA (Hons) MA (20 June 2025)

Board of Trustees

Chair

Richard Daniel BSc (Hons) FRAeS

Trustees at 20 August 2025

Allyson Arnold MSc BScN (Hons)

Patrick Aylmer FCA ³

Alison Benjamin BA (Hons)

Richard Cryer MA (Cantab) FCA

Wing Commander (Rtd) Sarah Davis MBA MSc FCIPD

Alastair Irvine BA (Hons) MCSI

Wing Commander Dr Sophie Allen MBChB FRCGP RAF

Wing Commander Clive Martland MBE RAF

Lady Mayhew BA (Hons)

Alan Porter LLM ⁴

Stepped down during the reporting period

Peggy Walters MA (18 May 2024)

Graeme Craig MA (31 Dec 2024)

Rachel Prendergast BA (Hons) MA (20 June 2025)

Executive Leadership Team

Team

Chief Executive (formerly Controller)

Air Vice-Marshal Chris Elliot CB CBE DL MA BSc

Director of Operations (formerly Director Grants, Strategy and Programmes)

Air Commodore Simon Harper OBE MA FCIPD

Director of Resources

Victoria Akinboro BSc (Hons) ACMA CGMA

Director of Fundraising

Ben Alonso BSc (Hons) MA PgDip

Director of Strategy and Impact

Dr Hannah Brooking MSc BSc

Director of Technology

Andrew Joubert ⁵

Associate Director of Strategy and Impact (maternity cover from October 2024)

Christina Floe BA (Oxon) DPhil

¹ Appointed 6 Feb 2025

² Appointed 18 June 2025

³ Appointed as the Senior Independent Trustee from 1 Jan 2025

⁴ Appointed 1 Nov 2024

⁵ Appointed 6 Feb 2025

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A foreword from our President, HRH The Duke of Kent

As we look back on 2024, we reflect on a year of commemoration, gratitude, and renewed commitment to the RAF Family. It was a year that reminded us not only of the enduring legacy of service but also of the evolving needs of those who continue to serve, and those who have served before them. The RAF Benevolent Fund continues to serve as a pillar of strength for so many. Its work today is as relevant and necessary as it was at its founding more than a century ago.



This year marked the centenary of the Royal Auxiliary Air Force, an important milestone that celebrated 100 years of dedicated service from the RAF's volunteer reserves. Their contributions, often carried out alongside civilian careers and family life, stand as a testament to the spirit of duty, adaptability, and resilience that has long defined the Royal Air Force. Their example reinforces why it is so important that we, as a nation, continue to support those who stand for us.

June 2024 brought the 80th anniversary of D-Day, a solemn and stirring moment in our national consciousness. The commemorations reminded us of the extraordinary courage of those who took part in that pivotal operation and the immense sacrifices they made. As we honoured their memory, we also reflected on the RAF Benevolent Fund's origins decades before D-Day, born in a time of war. Then, as now, the Fund remains a lifeline for members of the RAF Family in need.

As President of the RAF Benevolent Fund since 1969, I have been privileged to witness the organisation's evolution in response to the changing nature of military service and the modern challenges faced by RAF personnel and veterans. In June, I attended the Fund's Council (Advisory) meeting, where I learned more about their mental health support and initiatives to improve independence and increase access to welfare services across the country. I was particularly interested in how the Fund's welfare programmes are reaching those who are often overlooked, including young children coping with the loss of a parent, elderly veterans struggling with mobility or isolation, and families facing financial hardship.

In October, I had the honour of attending a veterans' event at the RAF Museum. There, I met members of the Fund's outreach team and heard directly from veterans, partners, and carers whose lives have been transformed by the Fund's support. Many shared stories of overcoming loneliness, regaining independence, and rebuilding their confidence. It was a humbling experience that reinforced the Fund's role in helping individuals and families not only survive but thrive.

As we look to the future, we must continue to honour the legacy of those who came before us while ensuring that today's RAF personnel, veterans, the bereaved and families receive the care and support they need. I remain deeply proud of the RAF Benevolent Fund's work, and I offer my heartfelt thanks to the staff, volunteers, partners, and donors who make it possible. Together, we reaffirm our commitment: no member of the RAF Family should face adversity alone.

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Dennis', written over a horizontal line.

HRH The Duke of Kent
President, RAF Benevolent Fund
KG GCMG GCVO CD ADC

Photo: Rory Lewis

About us

We are the heart of the RAF Family

For more than 105 years, the RAF Benevolent Fund has been supporting the RAF Family. We are a key partner in the Royal Air Force's mission to look after its people during and after service, ensuring that this service is valued, recognised, and people are supported even when uniforms are eventually shed. We are a national charity with international reach, delivering emotional, financial and practical support wherever and whenever it is needed. In 2024, recognising increasingly challenging times, our vital services and support continued to help those in uniform, families, veterans, and the bereaved in 30 other countries. More than 64,000 people benefitted from our work.



Our vision

Our vision is that everyone in our RAF Family – veterans, serving personnel and their families, including our bereaved community – gets support in their hour of need.



Our purpose

Our purpose is to be here for every member of the RAF Family in need – listening, understanding and providing life-changing practical, emotional and financial support.



Our values

Our values guide how we work, grow, and support one another whilst ensuring that what we aim to achieve is firmly aligned with who we are.

Empathetic

We listen and seek to understand, standing with the RAF Family.

People-focused

We put people at the heart of everything we do, with tailored support.

Responsive

We do what we say we will and use evidence and insight to adapt to changing needs.

Inclusive

We work hard to ensure everyone feels valued and supported and make ourselves accessible.

Innovative

We are forward-leaning and encourage new ideas and approaches to remain relevant.



Our Strategic Priorities

The Fund is always there to help, even when times are tough and things don't quite go to plan. We have a powerful strategic platform that enables us to respond to need in both the short and the longer term, our actions guided by evidence and research. Our current strategy has guided us for three years, and in 2024, our five key priorities enabled us to focus on increasing awareness and delivering greater impact for our beneficiaries.

The past four years have seen external factors such as the cost-of-living crisis, high fuel costs, demographic shifts within the RAF Family and broader societal trends, all having a significant effect on demand for our services. We have not seen the same scale in demand that we met in 2023 and that we expected in 2024. Financial conditions have begun to improve, with easing cost-of-living pressures contributing to a more representative level of need and demand across the RAF Family. However, changing circumstances have created a greater complexity in beneficiary need, requiring more resource in each response.

We continued to enhance the way we deliver our services and found new ways to address the increasing complexity of cases. Our aim, as always, is to ensure we provide life-changing support to people whenever they need it and for however long they need it.

We are making good progress in strengthening and deepening our impact in the following priority areas.

Providing increased hands-on, tailored support to the RAF Family

Our team provided an invaluable first point of contact for many who approached the Fund through calls, letters, emails, web chats, and face-to-face. Their personalised, empathetic and timely responses delivered immediate solutions and began the pathway for those needing more comprehensive support in complex cases.

Our in-house professional caseworking capability continued to deliver better outcomes for beneficiaries. While we recognised the sector trend towards remote caseworking, our in-person visits achieved more impactful responses through professional support. These holistic assessments meant needs were identified earlier and addressed in full more swiftly.

Improving both our contact and caseworking approaches led to stronger outcomes. We reviewed internal capability and aligned our enquiry and caseworking functions to improve responsiveness. In 2025, we will continue to develop this by introducing a new role focused on enhancing how we support beneficiaries and provide greater stewardship of their journey with us.

Safeguarding remains a key priority for the Fund, and we continued to improve processes and introduced a robust reporting and safeguarding awareness across the organisation. An independent audit found our policies to be well-designed and effective. We also joined the Confederation of Service Charities (Cobseo) Safeguarding Committee, giving us access to broader insight and helping us better support those most at risk.

Strengthening our community engagement to be present in more communities and engage locally

Our outreach team of Community Engagement Workers (CEWs) gives us a vital presence in local communities. As a result, we were able to reach more of the RAF Family who were not accessing any form of support; 60% had never contacted the Fund before, including carers and those experiencing memory loss. In 2024, five RAF Dementia Reminiscence Groups supported 424 attendances of veterans and their carers.

The team addressed social isolation and loneliness challenges in our older veteran community. They created sustainable pathways for beneficiaries and their families to join enriching activities that have significantly improved wellbeing and independence.

Building on this success, the Fund's outreach team will expand to more parts of the UK in 2025 and beyond. In addition to geographic expansion, we identified a need to expand our outreach offer to working-age veterans as our awareness of social isolation and loneliness has increased in this cohort.

Our volunteer programme played a key part in strengthening our outreach, enabling us to significantly expand our capacity to connect with more members of the RAF Family. In 2024, our number of active volunteers grew by 112% to more than 200, which helped us to extend our presence at 31 events across the UK and offer more consistent, localised support. Volunteers now play an essential role in reinforcing our regional outreach teams and are regularly assigned to community engagement groups, helping sustain the activities that make a meaningful

difference. Embedding volunteers more deeply helps us increase our reach and deliver a more personal, community-rooted approach to isolation and supporting independence.

As part of strengthening community engagement in 2024, raising awareness of the Fund's services and support with key stakeholders continued to be an important element of our ability to reach and deliver impact. For example, the annual visit from the MPs on the Armed Forces Parliamentary Scheme enabled us to demonstrate the breadth of our grants, services, and programmes in specific constituencies. As a result, MPs continue to champion the needs of serving and former personnel.

In addition, the Fund amplified the RAF's wellbeing offer through our work with RAF units to address individual and community wellbeing challenges. We tailored our services and grants to enhance and augment community resilience and wellbeing, focusing less on infrastructure improvements and more on individual and family support, such as new parents and pre-school aged children.

Increasing fundraising income by investing in building our donor database

In 2024, fundraising activities generated £16.2M (2023: £14.1M), a 15% increase compared to the previous year. This total includes both legacy and non-legacy income and reflects the Fund's commitment to implementing its fundraising strategy. Our approach focused on sustaining and maximising legacy income while growing non-legacy income through strategic investment across multiple channels and the continued generosity of our supporters.

A key milestone in the year was the successful launch of a bold new face-to-face fundraising campaign, which significantly enhanced our regular giving programme. This initiative

grew our community of regular supporters from 7,700 to over 9,000, a 17% increase. This marks the start of our longer-term ambition to expand this community to more than 12,000 by the end of 2026.

Gifts in Wills (legacies) continued to be the Fund's largest income stream, generating £10.7M during the year. We remain deeply grateful to those who chose to leave a gift in their Will in 2024, as this form of giving represents approximately two thirds of our fundraised income. We saw legacy consideration increase, with 257 supporters confirming their intent to leave a gift and a further 6,900 indicating they are considering such a commitment. To support this growing interest, the Fund delivered a national programme of legacy engagement events, providing supporters with information about the lasting impact their gift can have. These efforts are integral to the Fund's long-term financial sustainability and to securing support for future generations of the RAF Family.

Both the Major Donor programme and Strategic Partnerships showed notable improvement compared to the previous year, collectively raising £828,000 in 2024. Strategic Partnerships income has demonstrated consistent year-on-year growth, and our ambition is to mature both income streams significantly by 2029, ultimately raising several million pounds annually. To support the next phase of this strategy, the Fund appointed a Head of Major Gifts at the end of 2024 to lead the development and expansion of the Major Donor Programme and to explore wider opportunities for philanthropic support.

Finally, 2024 was a particularly strong year for our Trusts and Foundations programme, with the team exceeding its income target. This success was driven by a combination of strategic engagement and unexpected windfall grants, providing a valuable boost to the Fund's overall income profile.

Placing a greater emphasis on insight, impact and innovation

The Fund continued to develop digital solutions to improve service delivery and use data to support decision-making. Ongoing dashboard development enabled the Executive Leadership Team and Trustees to track progress, monitor objectives, and ensure our work aligned with our priorities and welfare goals.

We also enhanced the way we record and report on beneficiary data, broadening our sources to capture a fuller picture of our impact. These improvements support more informed decision-making and ensure greater accuracy in how we measure and communicate our reach, though it means that figures may not be directly comparable with previous years due to the change in methodology.

As part of our commitment to innovation, we undertook a holistic review of our welfare delivery to evolve how we improve our response to those in our support pipeline. This review was in response to increasingly complex beneficiary need and benefitted from our improved evidence through data and dashboards. The findings allowed us to respond in a timely manner to meet the evolving and future needs of the RAF Family. Significant progress was made, including the development of a new structure that allowed us to improve the beneficiary journey from initial enquiry to caseworking outcome. More people reported that it was easier to make contact with the Fund, the conversion rate from enquiry to casework increased, and, by responding more efficiently, we have reduced the number of beneficiaries needing to contact us about a previous enquiry.

We also aligned our community outreach services with our respite and care team, providing a more holistic view of older veterans' needs. As a result, meaningful social activity participation increased by 18%,

two new Dementia Reminiscence Groups were launched, and Group Friendship Breaks attendance also grew. Further work to improve the delivery of financial grants and services will be delivered in 2025.

In 2024, we scoped the future replacement of our Customer Relationship Management system, a vital tool that helps us manage fundraising and beneficiary relationships and provide personalised support to our beneficiaries. Building on our existing strengths, we explored how technology could further enhance the way we understand individual needs and deliver timely, tailored support. Procurement is planned for 2025.

In line with our focus on understanding and responding to the changing needs of the RAF Family, we began a new phase of our 'Meeting the Needs' research in partnership with RAND Europe CIC. This new research will explore projected demographic trends up to 2040 and gather feedback on lived experiences and support needs; its findings will guide how our services evolve to reflect the RAF Family of the future.

Developing greater collaboration and partnership working

The Fund has a long-standing commitment to collaboration and partnership working. By sharing knowledge, fostering joint efforts, and leading key initiatives, we continued to strengthen our impact.

To understand the evolving needs of the RAF Family, we regularly engaged with the RAF's Senior Leadership Team and other members of the RAF Family. The Chief Executive and Director of Operations visited RAF Northolt, RAF Marham, RAF Coningsby, RAF Brize Norton, and MOD Lyneham to update RAF personnel on the role of the Fund and how it supports the serving community. Our annual Trustees' Away Day was, at RAF Honington, also provided an opportunity for Trustees

to meet with RAF personnel and their families and understand their needs, and we provided updates on the Fund's work to the RAF Air Officers' Association.

We continued to partner and collaborate with organisations and specialist charities, broadening our reach and extend support to the RAF Family. A key pathway was through Cobseo. As a permanent member of its Executive Board and through Cobseo clusters and forums, we worked closely with a range of military charities and other organisations, including HM Government, on matters related to veterans, families, the bereaved and the serving community.

Since September 2024, we were delighted to take over the grant management and administration of educational grants for Alexander Duckham Memorial Schools Trust (ADMST). These grants are provided to the children of RAF personnel, past and present, and help to ensure access to quality schooling and educational opportunities where there is an endorsed need. Having maintained a close relationship with ADMST for many years, this new approach to grant giving has allowed us to extend financial assistance to more RAF families, so children receive the educational support they need to thrive.

Ongoing attendance at events, forums and conferences, including the national Lightning Reach Conference, and the launch of the inaugural Fighting with Pride Yearbook, allowed us to share insights while advocating for the needs of the RAF Family. We gave evidence in Parliament on the role of the charity to the Public Bill Committee, who were gathering evidence for the Armed Forces' Commissioner's Bill.

Delivering on our welfare goals

Our beneficiaries remain at the heart of everything we do. We have an unwavering commitment to the RAF Family. Whether someone is currently serving, has served, is bereaved or is a family member, if they need help, we will provide personalised and practical support when, where and for however long it is needed.

Our welfare strategy is guided by research, underpinned by impact frameworks, and measured through evaluation and outcomes. Based on research and evidence, our four welfare goals guide our work. While our welfare goals are set out sequentially, beneficiary personal circumstances and needs are often varied and complex and rarely present as a single or straightforward issue. Most of the cases we support have elements of all four of the following goals.

We supported

32,587 serving personnel and their families with community activities and events

19,025 serving personnel and their families with individual support

3,964 veterans, their families and the bereaved with community activities and events

9,300 veterans, their families and the bereaved with individual support

We spent **£15.1M** supporting a total **64,876** members of the RAF Family *

Access to personalised support

We believe it is important that every member of the RAF Family can receive personalised support from us quickly and efficiently. There are many ways in which our services are accessed, depending on need and preferences. Recognising this, we made significant improvement last year; redesigning our pathways to support, making access easier. We increased our engagement with the serving community so that they can better understand our services and support, because we believe that awareness of the Fund starts on joining the RAF, and not just when people need our help.

From the moment of enquiry, through casework, grant provision, and access to other services, we continued to take a personalised, holistic approach that met unique needs. Keen to do more and improve, we realigned our enquiry teams with our caseworking teams to create a single structure responsible for simplifying the beneficiary journey; in 2025, we will recruit a Beneficiary Relationship Manager who will be responsible for enhancing and expanding our stewardship of beneficiaries across all our services. This will build on the developments we have made this year and provide beneficiaries with a pathway that is ever more holistic and customised.

*** Note:** This year's total reflects a change in methodology, incorporating a broader range of support types. As a result, figures may not be directly comparable with those reported in previous years.

Our professional and in-house caseworking teams, located in many areas across the UK, supported beneficiaries with multiple and complex problems. These ranged from serious debt to homelessness, social isolation, and mental health issues. In 2024, more than 500 enquiries were progressed into cases quickly. Our caseworkers built trusted relationships and delivered personalised and practical support meeting the varied needs of each beneficiary, especially for those facing complex challenges. Of all direct caseworking enquiries to the Fund, 66% were referred straight to our caseworkers, an increase on the 22% we achieved in 2023. The investment in our own casework capability has enabled us to improve response times and deliver holistic, personalised, and better outcomes for our beneficiaries; 98% of our beneficiaries reported that they were 'satisfied' or 'very satisfied' with their Fund caseworker.

By using our caseworkers who understand the needs of those we support, we have delivered an assured, professionalised and timely service. Building on this success, we will be expanding our caseworking still further in 2025. We will be recruiting more caseworkers and expanding our coverage to more parts of the UK. This will mean reducing our dependence on other organisations and providing more tailored support to more beneficiaries.

Delivering personalised support was not limited to our caseworking service and we took the same approach across all our services. Our continuous improvement work

highlighted the synergy between our Respite and Care Executives and our community outreach teams supporting our older veteran community. By aligning previously separate teams, we have developed optimised and integrated pathways for those who are socially isolated and lonely. Each beneficiary was supported holistically and each element of the support we provided was tailored to their needs, whether it be funding customised and specialist mobility equipment or meeting financial and mental health needs, to arranging local community events that create lasting friendships and connections.

We recognised the role of the Fund in supporting personnel and their families across all stages of life and service; from operational service and the challenges that brings, through transition to civilian life, to care in retirement. We believe that everyone's journey with the Fund starts at the beginning of service and not just when they need help – our presence within the RAF allows us to raise awareness and reach more in the RAF Family. We have expanded our engagement and collaboration with the RAF by visiting more units, presenting at RAF conferences, and hosting a symposium of RAF welfare teams at our Head Office in Portland Place to discuss how best we can support the serving community with their financial needs. We will continue to expand our collaboration with the RAF in 2025 and will be supporting 15 RAF Town Shows across the UK in 2025 as well as conferences, Unit Health and Wellbeing Days and Unit Families' Days.



84% of enquirers reported that their initial contact with the Fund was 'very easy or easy'

Casework turnaround time from enquiry to application is an average **30 days** compared with 56 by external casework

94% of those engaged with a Fund caseworker reported the process **'very easy or easy'**

Improving quality of living

Throughout the year, we responded positively to the varied needs of our beneficiaries and improved their quality of living. The Fund stepped in quickly, providing help in times of financial hardship, emotional challenge, and crisis. Recognising the vital importance of longer-term financial stability on mental health, confidence, and quality of living, our Benefits and Advice Team and Advocacy Team provided the long-term and sustainable solutions that our beneficiaries need.

Quality of living can change throughout a person's life, and the support someone needs may vary at different stages. That's why it's essential for us to be flexible and responsive, providing ongoing assistance tailored to changing circumstances and life's challenges. We are committed to being there for beneficiaries throughout their lifetime, offering the right help however it's needed.

Whatever the challenge, the Fund is here to help improve quality of living for members of the RAF Family. Our support is wide-ranging, from a free legal advice helpline to one-off financial grants that cover essential needs like home repairs, travel and accommodation. We understand that support isn't always a one-off event; often the relationship between the Fund and beneficiary lasts for many years. We adapt to the individual's changing needs, and help them live with greater comfort, independence and peace of mind. In 2024, we continued to support beneficiaries across the world with regular financial assistance, and daily we supported those living in our Housing Trust properties by charging an affordable rental income.

Our Benefits and Advice Team provided bespoke guidance on both means-tested and non means-tested benefits, giving our beneficiaries the confidence to claim the statutory support they are entitled to. Even if a beneficiary or a family member has a steady income or savings, they may still be eligible for certain benefits, especially if they

face challenges such as unemployment, disability, long-term physical or mental health issues, or caring responsibilities. In 2024, our Benefits and Advice Team helped 1,209 people by reviewing their benefits, resulting in nearly £2M in unclaimed benefits that year being identified for around 400 households. By providing expert, hands-on advice and often helping our beneficiaries to gather the necessary evidence to support claims, we continued to ensure that they accessed the full range of support available to them, strengthening their financial security and overall wellbeing.

Our Advocacy Service provided crucial support to members of the RAF Family who were struggling to access the statutory services they needed, or whose support had been reduced or withdrawn. In 2024, this specialist team helped 108 individuals navigate complex processes, from mental capacity and safeguarding concerns to Court of Protection litigation, often where multiple legal issues overlap and cases unfold over many months, or even years. Despite the demanding nature of this work, the Service generated around £743,000 in financial gains for beneficiaries; money that directly improved lives, restored dignity and mental wellbeing. For many, these outcomes are life-changing.

Through every aspect of our work, we remain committed to providing compassionate, practical support that truly improves lives: helping the RAF Family face challenges with dignity, independence, and hope.

We supported 4,446 people by improving their quality of living

91% of beneficiaries felt the help they received from the Fund improved their overall quality of life

In comparison to private rental sector costs, we provided a total annual benefit of **£1.1M** to Housing Trust beneficiaries, which reflected the difference between the actual affordable rent charged and what the income from the rental charge would have been based on market rates

95% of those surveyed said their quality of life improved significantly because of advocacy support



Increasing independence

Independence is deeply personal and, for many members of the RAF Family, being able to remain independent and live life on their terms makes all the difference. We enabled RAF Family members to deal with the challenges of disability, mobility, injury, and leaving the Service, by providing them with the confidence, dignity, and comfort to live well and independently.

The 196 properties in our Housing Trust provided suitable and adapted housing for 357 veterans, serving personnel, and their families who have experienced life-changing injuries and whose service ended prematurely due to complex and lifelong needs. With little prospect of securing employment or accommodation because of illness and injury, the Housing Trust provided life-changing support to beneficiaries and their families, ensuring they can live independently and safely, enhancing their quality of life.

Tenant satisfaction is high: 96% of respondents reported being 'very satisfied' or 'satisfied' with the service they receive, and 100% said the Fund had improved their quality of living.

For our older veterans, increasing independence is about providing tailored

pathways and support. From property adaptation to personalised mobility and care equipment, our beneficiaries can live in the location of their choice and can access their local communities more easily. In fact, 92% of those who received this kind of equipment told us they use it daily, and nearly 80% reported that their needs, whether inside or outside the home, were fully or mostly met. For those leaving the Service with illness or injury, the Housing Trust provides a vital safety net for those with little prospect of securing accommodation or employment.

Grant-funded mobility equipment, which included wheelchairs and electrically powered vehicles, was tailored to meet the specific needs of 1,990 beneficiaries. This allowed us to meet often urgent and complex needs quickly, providing comfort, mobility and independence while beneficiaries in some cases waited for more permanent solutions. We also met the challenge of changing needs and, as our beneficiaries requirements changed, we ensured that the equipment was tailored accordingly. Whether it's helping someone move around more easily at home, attend medical appointments, or simply stay connected with their community, this

practical support had a meaningful impact on daily life and personal wellbeing.

In 2024, our community outreach team supported 326 individuals by connecting them into activities and groups. We delivered a wide range of services for our older veteran community including Dementia Reminiscence Groups and social activity groups, Group Friendship Breaks and Telephone Friendship Groups. Over the next

few years, we will be extending the reach and coverage of our community outreach so that we can support more beneficiaries across the UK.

We supported **3,716** people with their independence, a **10% increase on 2023**

1,407 attendances at a Community Outreach activity

99% reported overall satisfaction with the support

89% reported their needs had been fully met

96% of Housing Trust tenants reported being '**satisfied**' or '**very satisfied**'

100% reported that they were '**very satisfied**' and '**satisfied**' with their Group Friendship Break

Enhancing wellbeing

From supporting the serving community with the challenges of high operational tempo, frequent family moves, and uncertainty in the global order, through transition; to civilian life, to care in retirement, we played a critical role supporting the wellbeing of the RAF Family across all stages of life and service. We gave support in its most immediate form, while also building longer-term resilience through mental wellbeing programmes and counselling. Recognising that every person's wellbeing is intertwined with the wellbeing of their family, our support for children and young people, relationship support and family respite breaks, provided greater family resilience and the stronger communities that are the cornerstone of the RAF Family.

Throughout 2024, the demand for our Listening and Counselling Service (LCS) maintained the very high levels seen in 2023. We supported over 2,000 individuals, primarily from the serving community, helping them to improve their mental wellbeing and resilience. As a result of the support we provided, our beneficiaries are seeing significant improvement to their health. We also continued to offer free membership of Headspace, an award-winning meditation and mindfulness app, and results are overwhelmingly positive.

We continued to recognise the stress and strain that service life can have on family relationships. Demand for our Relationship and Counselling services in 2024 remained high with similar trends to those in 2023. 80% reported that they felt their family situation was 'much better or better' and 75% felt that their mental wellbeing had improved because of the support they received.

Mental health challenges affect all ages and demand for our Children and Young People's Listening and Counselling Service expanded significantly. 93% reported they were happy with the service, and this has increased significantly from 2023. 82% reported that they felt 'better' or 'much better' about their mental and emotional wellbeing.

We have been at the forefront of supporting children and young people for many years. Building on our history in supporting education, the £40M investment we made over the last 25 years in new childcare centres, service family accommodation play areas, and children and young people's services, continued to provide vital support to the serving family last year.

We recognised that frequent moves to new postings can be unsettling and disruptive, especially for families based at more remote RAF stations, and the Fund's Airplay scheme provides safe, stimulating, and exciting youth clubs for RAF Family children and young people aged five to 18.

In its 15th year, 92% of young people strongly agreed that Airplay helped them make new friends and 96% agreed that it helped them to settle when moving to a new location. While we are delighted with the positive feedback, we recognised that our services must continue to evolve, and we have collaborated with the RAF to meet the local demand.

Despite the closure of RAF Scampton, we maintained the Airplay provision for those living locally in service family accommodation and we have listened to feedback on the absence of holiday activity provision at RAF stations and units. With an increasing number of serving families where both parents are serving, we worked with the RAF to fund a pilot, delivering holiday activities for children and young people across five units in 2025. We expect that the pilot will reinforce the need for more support in years to come.

Through our BenPlay and BenParenting scheme, we continued to provide the financial support to RAF units, to deliver projects to help new parents and provide enriching and developmental activities for babies and toddlers. The scheme has been very successful, and our grants allowed units to organise events and activities to meet their local needs. Recognising the significant



value these activities are delivering for the serving family, and particularly for those young children with Special Educational Needs, we have extended the programme and increased funding by 200% in 2025, so that we can support units in helping more young children and more parents.

It is vitally important that our beneficiaries can take some time away from the challenges of busy and difficult lives. We continued to help serving personnel, veterans, and their families with wellbeing breaks. 96% of beneficiaries reported being 'very satisfied' or 'satisfied' with a holiday break at one of Parkdean UK's resorts. With the support of Parkdean, a partner holiday park operator,

we have increased the number of holidays available for beneficiaries in 2025 and, with 100% reporting an improvement in their emotional wellbeing, more will be supported.

For those with a disability, our Disabled Holiday Trust provided the opportunity for 286 beneficiaries to have a break. The specially adapted accommodation at each Trust site enabled our beneficiaries to take a holiday with their family without the stress or expense of finding disabled friendly accommodation which is very limited in the UK. Finally, our holiday cottage, The Folly in Bridlington, saw 164 beneficiaries enjoy time away with their family and friends.



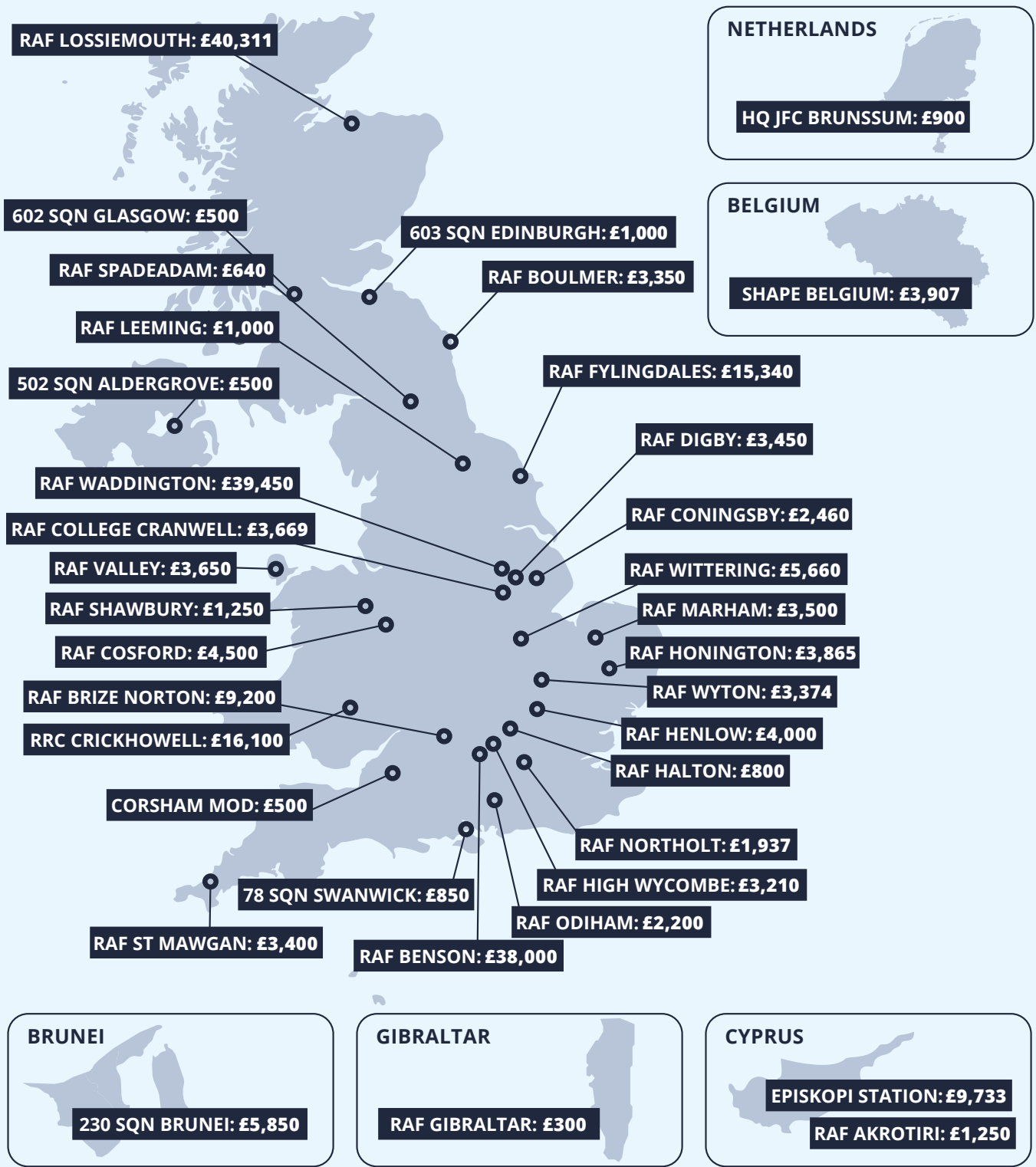
We supported **13,376** people with their wellbeing, including **2,169** children through our youth support programme, Airplay

- 89%** of those who accessed our Listening and Counselling Service reported they were **'satisfied'** or **'very satisfied'**
- 79%** of those who accessed our Listening and Counselling Service showed a reliable clinical improvement in their levels of anxiety and **68%** showed a clinical improvement in depression
- 98%** of those using online mindfulness app Headspace reported that they were **'satisfied'** or **'very satisfied'**

Station grants

Across our welfare goals, we support the RAF's wellbeing offer by ensuring serving personnel and their families have access to meaningful support. One key way we do this is through our Station Grants programme, which funded projects that improved quality of life for 8,273 people on RAF units in 2024.

Grants supported local facilities and activities that met each station's specific needs, from creating a sensory room at RAF Henlow to enhancing social spaces at RAF Wittering. We also helped bring together 39,609 people through Families' Day events that boosted connection, wellbeing and morale across the RAF Family.



Working in partnership

External grants

In 2024 we reviewed our external grants programme, continuing to meet the needs of our beneficiaries. This programme awards grants to charities and other organisations who provide direct and targeted assistance to the RAF Family. This financial support is designed to support charities and organisations where their delivery of services expands on the services offered by the Fund.

Below is a selection of some of the grants we awarded to partner organisations making a difference to our RAF Family:

Eastern European War Widows	£51K
Fares4Free	£5K
Forces Employment Charity	£55.7K
High Ground	£4.2K
Mission Motorsport	£5K
On Course Foundation	£3K
RAF Families Federation	£15K
RAF Widows Association	£34K
Royal Commonwealth Ex-Services League CVP	£15K
SSAFA	£20.95K
The Veterans Charity	£5K
Veterans Outdoors	£5K
Waterloo Uncovered	£4K
Walking With The Wounded	£5K

Caseworking partners

To augment our casework capability, we worked with several organisations that investigated cases and, where necessary, distributed grants to the RAF Family on our behalf.

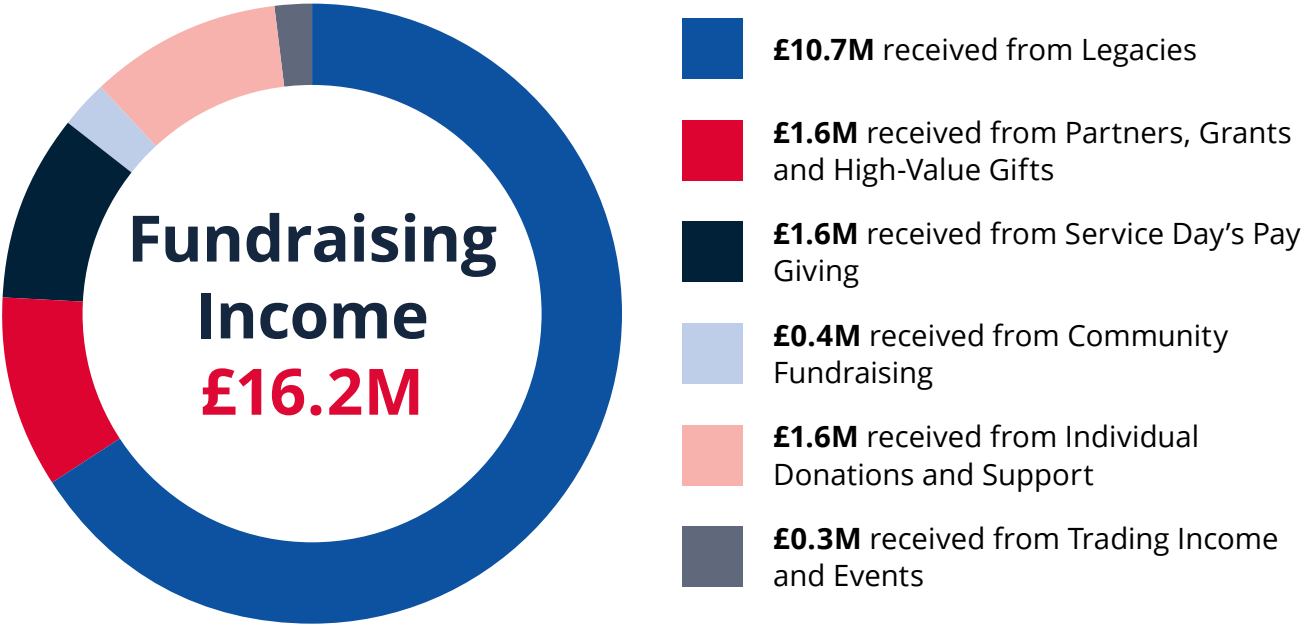
The following organisations are examples of some of our caseworking partners in 2024:

Age in Spain
Defence Medical Welfare Service
Royal Air Forces Association
The Royal British Legion
Royal Commonwealth Ex-Services League
The Royal Canadian Legion
SSAFA

Fundraising

Thanks to the generosity of our supporters, we raised £16.2M in fundraised income. Our fundraising performance improved on the previous year, with an increase of £2.1M (15%).

Summary of Fundraising Income in 2024



We remain fully committed to supporting the RAF Family and making sure every pound donated is put to work where it can have the greatest impact. We thank you for your generosity and trust, which continues to transform lives.

Legacies

Legacy-giving remained a significant source of fundraised income in 2024 as we received £10.7M, representing 67% of voluntary income. These gifts represent a significant and lasting commitment from supporters

who choose to remember the Fund in their Wills. Legacy income provides us with the ability to plan for the long term, helping to safeguard our essential services for future generations of the RAF Family.

Partners, grants and high-value gifts

We were delighted to secure £1.7M in 2024 through corporate partnerships, grants and high-value gifts; our Grants and High Value Gifts programmes securing £1.1M of that figure from longstanding supporters. We were also delighted to welcome new Trusts, notably The Andree Griotteray White Charitable Trust, who supported our work with people struggling with dementia in the community.

We generated £541K through our relationships with generous organisations including BAE Systems, Exolum, MBDA and VIVO Defence Services. We were also pleased to welcome several new corporate supporters including General Dynamics, Slater and Gordon, and Breitling.

Our partnership with Breitling, in collaboration with the Red Arrows, generously provided donations from the sale of a limited run of watches in celebration of the Squadron's 60th anniversary.

One of our 2024 highlights was a collaboration with Fund supporter, Mark Aedy, who self-published, *"From Biplanes to Fast Jets: A pilot's life in the Royal Air Force 1942-1973"*, a memoir based on his late father, Squadron Leader Ken Aedy. Mark and his sister, Lady Penny Willcocks, hosted a launch event at the RAF Club on 29 May (on what would have been Ken's 100th birthday) and a remarkable £44K was generated through book sales and Mr Aedy's matched donation.

Individual giving

The contributions from all of our regular givers helps us build long-term sustainability and provides us with a stable income stream to help us plan for the future. We are grateful for the many regular and one-off cash gifts we received from individual supporters who continued to play a critical role in our fundraising efforts. Thousands of people generously donated through direct appeals, online giving, payroll giving, platforms, our weekly lottery, merchandise purchases at events such as airshows, and regular giving programmes.

The generous contributions from serving RAF personnel continued to be a vital source of support in 2024 through our Service Day's Pay Giving scheme. Over 20,000 serving members collectively donated £1.6M through monthly payroll donations.

In 2024, we continued to invest in growing our regular donor base. Our teams spoke to thousands of people through door-to-door fundraising and at select airshows over the summer. We ran a face-to-face Regular Giving campaign across Cardiff, Oxfordshire and Lincolnshire and recruited over 1,500 new regular donors.

Our efforts to recruit new regular donors continued to be successful and in 2024, over 9,000 regular givers contributed £860K to help us plan more effectively throughout the year. We are on track to meet our target of recruiting 12,000 regular givers by the end of 2026.



Key appeals and campaigns

Community Fundraising

Community fundraising remained an important part of our approach to fundraising, raising £436K in 2024. Our community fundraisers focused on building relationships across stations and nearby communities, and it was inspiring to see many people taking part in a variety of activities, such as sponsored walks, marathons, and international challenges like the trek to Everest Base Camp.

We attended airshows around the UK, including the 2024 International Ayr Show - Festival of Flight, where we were proudly once again Charity of the Year. These events presented an opportunity to develop our relationships with both existing and new supporters, raise funds through our merchandise offering, and increase awareness of our welfare services.

Looking ahead, the focus for community fundraising is on deepening connections and diversifying relationships beyond traditional RAF communities. Our intent is to strengthen our engagement with wider community groups and local businesses across the country to broaden our support base.

Fundraising compliance and supporter promise

When fundraising, we comply with all relevant laws and regulations including the Charities Acts 2011 and 2022, the Charities (Protection and Social Investment) Act 2016, the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations 2003. In addition to executive oversight of our fundraising activities, our Board of Trustees closely monitors our fundraising activity.

We also comply with the regulatory standards for fundraising, including guidance published by the Charity Commission. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise, compliance with the Fundraising Preference Service and adherence to the Code of Fundraising Practice. In 2024 we paid the Fundraising Regulators Fundraising Levy, a voluntary payment to help fund the organisation to regulate the charity sector's fundraising activities.

We are fully committed to the principles we lay out in our fundraising promise:

We believe in being transparent in how we raise money and spend donations, and the impact this makes on the RAF Family. We take this responsibility very seriously. In all that we do, we aim to meet the highest standards, so that supporters and volunteers are able to give to and fundraise for us with confidence and trust that their hard work will make a difference.

We are open, honest and transparent

We promise to be open, honest and transparent in relation to our fundraising and, as importantly, in how accurately we represent members of the RAF Family in the materials we produce. We engage them in planning and ensure we have their approval before the materials are made public.

We are respectful

Whether in fundraising materials, or a conversation, we show respect and we promise never to pressurise anyone to make a donation. We are particularly sensitive when engaging with vulnerable people, including those who are elderly. Following the introduction of the General Data Protection Regulation in 2018, we only communicate with supporters who have given us express permission to maintain contact with them. We keep supporters up to date with our work in a way that suits them. If any supporter prefers a reduced level of contact, they only have to let us know and we will respond to their wishes.

We are accessible

We want to make it easy for anyone to get in touch with our fundraising team. Whether they want to update their contact preferences or ask a question about our work or how we spend their donation, we welcome their phone call, email or letter. We have a complaints procedure should a supporter be unhappy or have concerns about any of our fundraising activities. This is available on our website or by emailing complaints@rafbf.org.uk. We will help supporters to take their complaint to the Fundraising Regulator if they feel we haven't responded suitably.

Working responsibly with fundraising agencies

We partner with professional fundraising agencies to carry out face-to-face and telephone fundraising on our behalf. Our partners are committed to the highest standards of respectful and responsible fundraising. All external fundraisers receive comprehensive ongoing training to ensure they fully understand our mission, the regulatory landscape, and the importance of engaging sensitively and respectfully with our supporters.

In 2024, we received 11 complaints about our face-to-face fundraising and 4 complaints about our telephone fundraising. To put this into context, we estimate that our face-to-face representatives engaged with 180,000 members of the public and telephone fundraisers working on our behalf spoke to around 45,000 members of the public in 2024.

The complaints we received were resolved without any need for escalation to external bodies, and we continue to closely monitor the activity of the professional agencies we employ, through call listening, shadowing and regular training.

Thank you to our donors

We are immensely grateful to our donors, a few of whom are listed below. Your generosity has made a significant impact, and we cannot thank you enough.

2Excel Aviation

The Ada Hillard Charitable Trust

The Adrian Swire Charitable Trust

Armed Forces Covenant Fund Trust

BAE Systems

Breitling

Brian Smith and Team – The Spitfire Experience

The Charles Burrell 2016 Charitable Settlement

The David King Charitable Trust

Dr Michael Oliver OBE DL

Exolum International Group

Headley Court Charity

The James Weir Foundation

J H Bartlett Charity Trust

The MacRobert Trust

MBDA UK

Michael Cornish Charitable Trust

Midshires Mobility Group

Mr and Mrs C Lucas

Mr Mark Aedy and family

National Lottery Community Fund, Young Start programme

The Red Arrows Trust

The Rowland Betty Memorial Trust

Royal Edinburgh Military Tattoo

Slater and Gordon UK Limited

The Andree Griotteray White Charitable Trust

The April Fools' Club

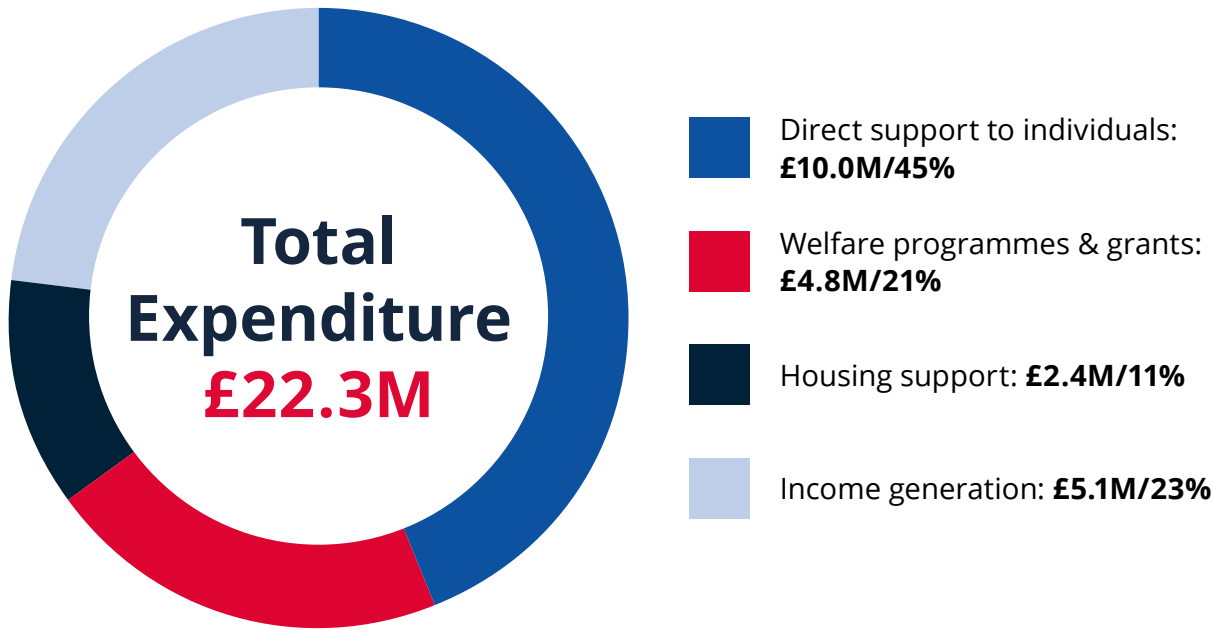
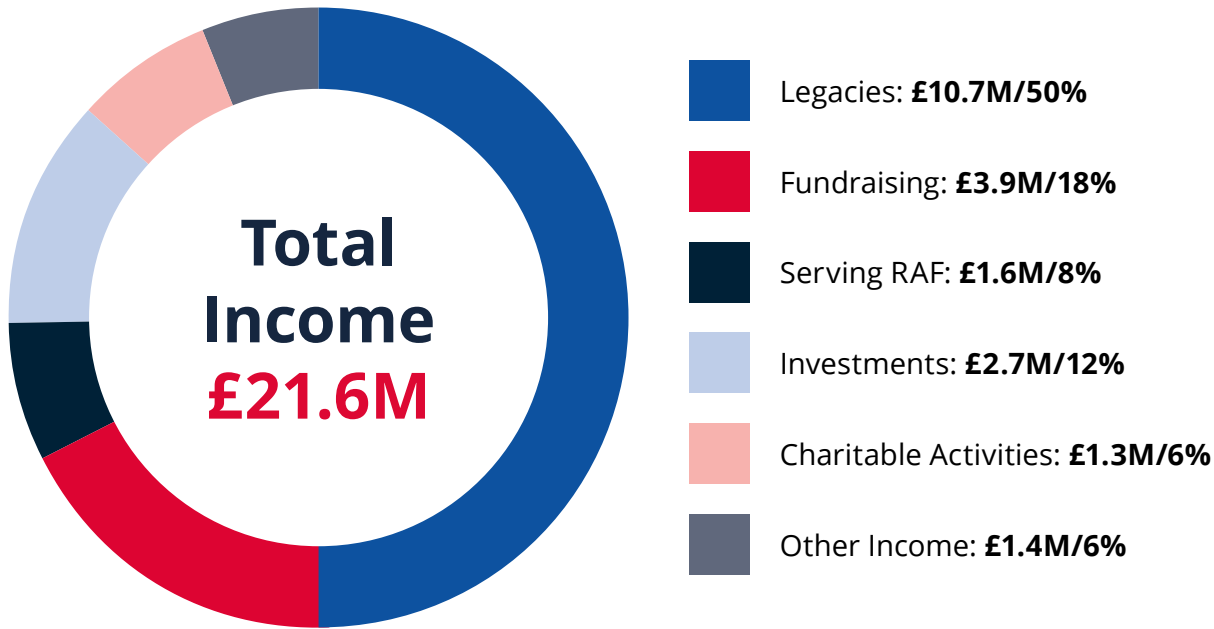
The Corps of Commissionaires Management Limited

The Inter-Livery Target Rifle Shoot

VIVO Defence Services Limited

Wimbledon Foundation

Financial highlights



The financial outcome for the year ended 31 December 2024 is set out in the “Consolidated Statement of Financial Activities” on page 44.

Financial review

Our overall deficit before accounting for investment market gains was **£0.6M**, a significant improvement on the £5.3M net expenditure in 2023. We saw unrealised gains on our investments totaling £2.2M compared to the £4.7M gain in 2023.

Income overview

Despite the challenging and uncertain environment, in 2024 we were able to increase our total income by £2.9M/16% to **£21.6M**; this was a £2.9M/15% increase on the previous year (2023: £4.9M/21% decrease). The performance of legacy income continued to be a significant contributor to our results, as shown in the table below.

We also saw a £0.5M/15% increase in fundraising income and Trust properties, both of which had been exceptionally strong in the previous year.

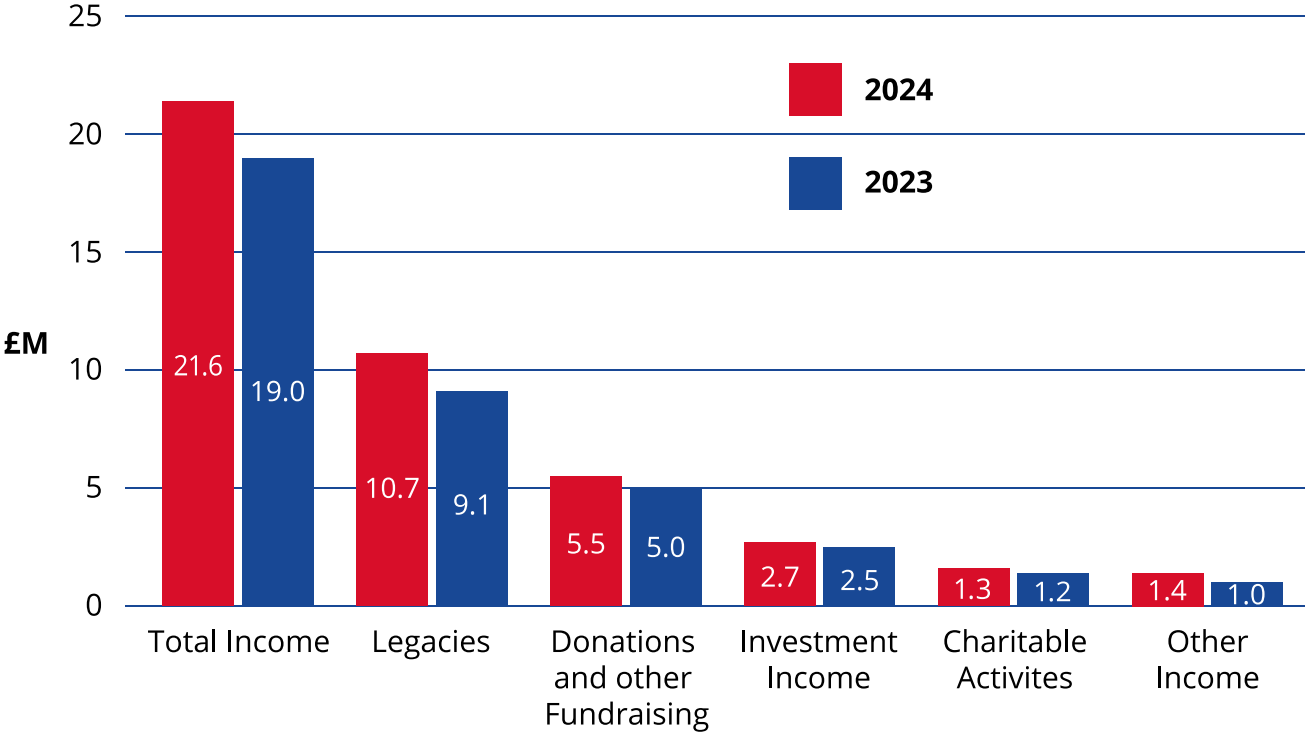
£16.2M (2023: 14.1M) or 74% (2023: 74%) of total income came from legacies and fundraising, the same proportion as the previous year. This income, as detailed in note 2 to the financial statements, included contributions from individuals, the serving RAF, corporate partners, and Trusts. £1.5M (2023: £1.4M) income from charitable activities was mainly from rent received from Housing Trust properties. The year on year increase in our main income sources are shown in the table below:

Income Overview	2024	2023	Increase in 2024	
	£M	£M	£M	%
Legacies	10.7	9.1	1.6	18%
Other Fundraising	3.9	3.4	0.5	15%
Serving RAF	1.6	1.6	-	-
Investments	2.7	2.5	0.2	8%
Charitable Activities	1.3	1.2	(0.1)	(7%)
Profit from fixed asset sales	1.2	0.8	0.4	50%
Pension interest	0.2	0.2	-	-
	21.6	18.8	2.6	14%

Legacy income is by its nature always difficult to predict. Historically this has varied from year-to-year and, in 2024, increased

by £1.6M or 18%, to £10.7M. Income from charitable activities increased by £0.2M or 14% to £1.6M.

Income: £21.6M



Other income, as detailed in the graph above, includes the profit made from property disposals, which are as a result of the buying and selling of properties to support housing needs. The sale and disposal of properties are primarily driven by the welfare needs of those we support, although we always aim to maximise the financial return for the Fund so that this support is sustainable.

The profit from the sale of Housing Trust properties increased, amounting to £1.2M, an increase of £0.4M from the £0.8M earned in 2023. Nine property sales were completed in 2024, compared to five in 2023.

All our fundraising income, after offsetting the costs of raising income in year and investing to secure future income, was spent on our charitable activities during the year. We continued to invest in income generation to support our income diversification plans, which is crucial for the Fund's long-term financial sustainability.

Income from charitable activities rose to £1.3M (2023: £1.2M), with £1.1M (69%) of this income coming from rent paid by

our beneficiaries living in our properties. We charge an affordable rent based on individual circumstances and needs, which when compared to standard private rental costs, provided an annual benefit of £1.1M across all Housing Trust properties. The provision of loans also supports the Fund's charitable aims by providing means other than grants to support homeowners who need essential property repairs or adaptations. Loans are granted as a last resort and support the most vulnerable members of the RAF Family who own their own homes but who do not have the financial means to help themselves. We spent all of the £1.3M generated (2023: £1.4M) from our charitable activities to support the RAF Family.

The funds we are invested in combine financial objectives with a sustainable investment approach that considers Environment, Social and Governance issues in order to contribute to achieving the right outcomes for people and the planet. Our well-managed investments portfolio was able to generate £2.7M (2023: £2.5M) in income for us to use for our work.

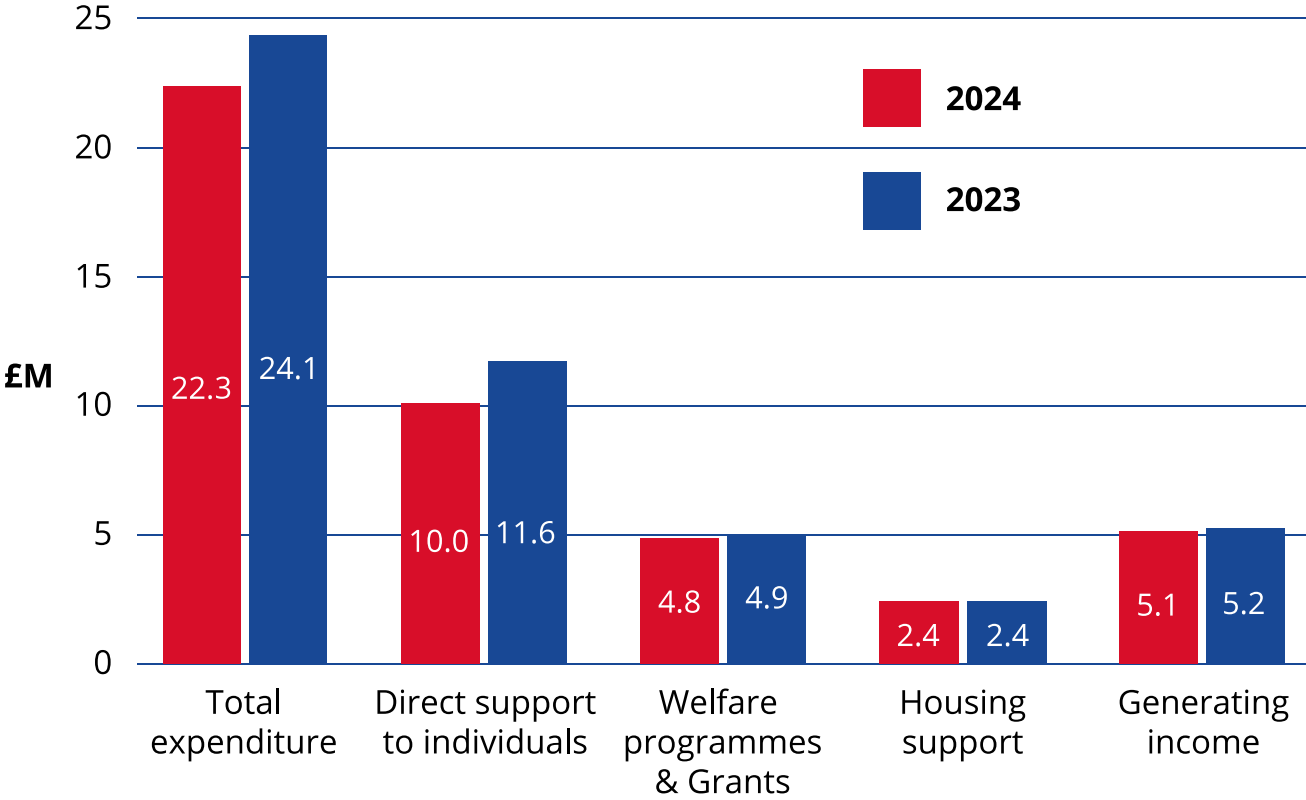
Expenditure

Total expenditure in 2024 was £22.3M (2023: £24.1M), a £1.9M (8%) decrease on the previous year and of which, £17.1M or 77% was incurred in delivering charitable activity. £5.1M or 23% was incurred on income generating activity. We spent less on supporting individuals in 2024 than we did in 2023. This was because in 2023 the cost of mobility equipment and housing adaptations was exceptionally high.

Throughout the year the Fund has been there to help and, when times are tough, we have met the varied and complex needs of the RAF Family. The £17.1M we spent on charitable activities was £1.8M or 9% less than in 2023. Demand for financial support was lower as the impact of cost-of-living and

high fuel costs eased, and we have recorded a reduction across some of our services when compared to an exceptional and very busy year in 2023. This has not impacted the quality or quantity of the support we provided or the very positive impact our beneficiaries received. In addition to what is reported on the SOFA, an additional £1.4M (2023: £3.5M) was used to buy properties for beneficiaries requiring housing support. £10.0M (2023: £11.6M) was spent on supporting individuals directly, £4.8M (2023: £4.9M) on welfare programmes and external grants and £2.4M (2023: £2.4M) used to provide housing support.

Expenditure: £22.3M



The £5.1M spent on generating income was similar to the previous year (2023: £5.2M). The most significant element of this relates to costs incurred in raising funds from individual supporters, Trusts and corporate partners. The amount includes £1.3M in support costs (2023: £1.4M). For every £1 we spent directly on fundraising we received £4.70 in the year (2023: £4.10).

Expenditure on charitable and income generating activities includes attributed support costs. These are incurred to enable the well-run, properly governed and compliant the Fund to operate efficiently using tools, processes and skills that enhance the impact made through meeting its charitable objectives; they also include the depreciation of fixed assets charged in the year. Support costs in the year totalled £4.7M: £1.3M in Fundraising as above, and the remaining £3.4M apportioned to Welfare; overall a £105K (2.2%) year on year decrease (2023: £4.8M). These figures include £193K (2023: £235K) of pension scheme running costs, paid under our obligation as the Scheme employer.

The pension running costs were offset by pension interest income of £196K (2023: £206K). The actuarial valuation at the end of 2024 was nil (2023: £2.8M deficit).

We attribute the costs directly to the activities that drive them as far as possible, and general costs are allocated on a head count basis. To ensure we spend as much of our resources as we can directly on the RAF Family, we continued to keep this area of expenditure tightly controlled.

Investments

We invest in diversified portfolios to preserve the real value of the funds we hold and to generate income needed for our work in support of the RAF Family. In 2024, we aimed to achieve an appropriate return while maintaining acceptable levels of risk. Our revised Investment Policy gives regard to guidance provided by the Charity Commission.

Our primary investment objectives are to:

- generate income distributions and capital growth whilst being consistent with the Fund's charitable purposes, and the immediate and long-term interests of beneficiaries;
- obtain the best financial return that can be achieved within the level of risk acceptable to the Board of Trustees;
- grow the capital value of long-term investments in line with inflation at a minimum, with a CPI related benchmark (CPI+3% net of fees as a guide over five years) as well as generate a level of income that will be applied to the operations of the Fund;
- use market indices and an industry wide peer group benchmark as a guide to how the Fund's investments are performing against the average based on a medium risk long term growth portfolio;
- employ investment managers who provide value and relatively low costs and who develop relatively stable portfolios that meet the objectives of this strategy in the long term;
- make decisions always in the best interests of the Fund.

Our long-term investments are in funds regulated by the Charity Commission and the Financial Conduct Authority and under the management of CCLA (COIF Charities Investment Fund) and Cazenove (Sustainable Multi Asset Fund). As of 31 December 2024, our invested assets were valued at £68.2M (2023: £75.5M).

In 2024 we withdrew £9.7M from the portfolio previously managed by Close Brothers Asset Management and most of this was held in cash at the year-end. Consequently, cash held at the year-end was £15.7M compared £6.9M at the end of the previous year. The cash will be used to meet working capital requirements and future longer term investment depending on cash requirements. £9.2M of the cash was held in money market and notice deposit accounts at the year end. 75% of our investments were invested in equities. Unrealised market gains on investments at the year-end were £2.2M (2023: £4.7M gain).

COIF Charities Investment Fund

The value of our investment in the COIF Charities Investment Fund managed by CCLA was £47.6M on 31 December 2024 (2023: £46.6M). The increase in value was due to £1.0M in capital gains in the year.

Total performance net of fees over the year was 5.1% (2023: 12.4%) compared to the benchmark performance of 15.3%.

The dividend income in the 12 months to 31 December 2024 was £1.3M representing a yield of 2.7% (2023: 2.8%).

COIF Charities Global Investment Fund

During the year there was a change in investment managers and £6.1M was invested in CCLA's COIF Global Investment Fund. Total performance net of fees over the year was 8.2%. The dividend yield in the 12 months to 31 December 2024, covering three quarters was £111K representing 1.8%.

Cazenove Sustainable Multi Asset Fund (SMAF)

We moved some of our funds to SMAF in the year and the value of our investment on 31 December 2024 was £14.3M (2023: n/a). The total performance net of fees in the nine months to the end of 2024, was 7.1% (2023: n/a). The income yield net of fees in 2024 was 1.0%.

Disabled Holiday Trust Holiday Bonds

The RAF Benevolent Fund is the sole Trustee of The Royal Air Force Disabled Holiday Trust (DHT), an unincorporated charity. DHT property bonds, held in trust by the RAF Benevolent Fund, were valued at £639K at the year-end (2023: £608K). Additional units gifted to the Fund in the year were valued at £35K and a loss on valuation of £4K. The units held under this policy are used to provide affordable breaks for DHT members.

Pension deficit

The FRS 102 accounting valuation result for the closed defined benefit scheme based on assumptions agreed with the actuary was a surplus of £1.2M but which has been restricted to nil as at 31 December 2024 (2023: £2.8M deficit). This reflects the limit in FRS102 paragraph 28.22. Even though the liability is reported as nil, we acknowledge that the accounting figures are market based and subject to volatility from time to time.

The Pension scheme's Statutory Funding Objective is to have sufficient and appropriate assets to cover its Technical Provisions, that is, an estimate of the assets needed at any particular time to make provision for benefits already accrued under the Scheme. These include pensions in payment and benefits accrued by other members, which will become payable in the future. An actuarial valuation compliant with the Pensions Act 2004 was carried out as at 31 December 2023. The result of the valuation revealed a funding shortfall of £2.4M. To eliminate this shortfall, the Staff Pension Fund Trustee and the Fund agreed that the Fund would pay deficit funding contributions to the scheme of £100K per month from 1 January 2024 until 31 March 2026. £1.2M was paid in the year ended 31 December 2024.

Reserves

Our total funds on 31 December 2024 were £125.9M (2023: £122.6M). These comprised unrestricted funds of £114.7M (2023: £111.6M), while restricted and endowment funds were £11.1M (2023: £11.0M).

This is shown in the table below:

Total funds held in:	2024	2023
	£M	£M
Fixed Assets	28.6	29.1
Beneficiary Loans	6.2	6.9
Other net assets	6.5	3.5
Cash and Investments - unrestricted	73.4	72.1
Unrestricted funds	114.7	111.6
Cash and Investments - restricted funds	11.1	11.0
	125.9	122.6

Fixed assets are mainly properties owned to provide housing support.

We have been supporting the RAF Family for over 100 years and remain committed to providing that support for the long term. To ensure we are fit to make this commitment, we take the view that reserves must be managed from a long-term perspective. It is easier to spend reserves than build them, but in managing our reserves we are also committed to ensuring that no member of the RAF Family is left unsupported or insufficiently supported in their time of need. Our aim remains to ensure funds are available to meet the demand for our welfare services and to secure, as far as possible, future financial viability.

Free reserves

Free reserves are held in cash and investments as shown in the table above. We hold free reserves to be assured that we can sustain the support we provide to the RAF Family in the near and long term, as well as meet other obligations, irrespective of fluctuations in income, market conditions and demand for our support.

Our approach to determining our minimum free reserve requirement is based on the risks that we face and manage internally, but also those that arise from the external environment in which we operate. We reviewed our free reserves requirement in the year and some of the factors we considered were:

- The significant reliance we place on a single source of income which carries a high level of uncertainty
- The time frame and investment required for us grow income, from a portfolio of sustainable fundraising income streams
- Rising costs and continued geopolitical uncertainty
- Investment market risk
- The capability of the Fund to respond to a mass fatality incident that cannot be covered by insurance, or other sudden surges in demand for support
- The need to have resources to build and maintain resilience to risks such as those relating to cyber security and business continuity

Trustees have determined that the minimum reserve requirement should be £50M for these reasons. Free reserves held as at 31 December 2024 were £57.4M. Trustees are comfortable with the surplus free reserves at the year-end given that our investments are subject to market volatility. Furthermore, considering the current geopolitical climate there is recognition that a higher reserve may be needed in the future to meet the consequences of an increase in the demand for our services. The position as at 31 December 2024 is presented in the table below:

	2024	2023
	£M	£M
General funds	92.2	87.0
Tangible and intangible fixed assets	(28.6)	(29.1)
Loans to beneficiaries	(6.2)	(6.9)
	57.4	51.0

The trustees plan to review the reserves policy again during 2025, and it is likely that, for the future, an enhanced target reserves range will be adopted to reflect an increasing level of political and economic volatility.

Designated Funds

Designated Funds at the year-end were £22.6M (2023: £24.7M). £9.5M of these funds have been set aside for strategic development over the next three to five years, including the replacement of our beneficiary and donor management system. £4.2M has been set aside for staff pension deficit recovery commitment and £8.0M (2023: £7.8M) represents reserves of the Dependants Fund which are to be used to meet our commitment to support RAF personnel who are subscribers to the Fund. £0.9M has been set aside for our property in Scotland. Details of the designated funds are in Note 24 to the financial statements.

Restricted Funds

Restricted funds representing the unspent balance of funds received for specific charitable activities were £4.9M (2023: £5.0M). The largest single restricted fund of £2.9M (2023: £2.8M) is for the maintenance and upkeep of the Bomber Command Memorial. Endowment funds included both permanent and expendable funds and were £6.3M (2023: £6.0M). These funds represent income donated to the Fund but subject to the condition that the capital remains unspent. There was a small increase in the value of the endowment fund due to an £286K unrealised gain on investments in the year (2023: £18K gain).

Going Concern

These financial statements have been prepared on the assumption that the Fund is a going concern and will continue to support the RAF Family for at least 12 months from the date of signing the accounts, that is at August 2026. On 31 December 2024 net current assets held by the group were £22.2M (Charity £31.1M). Cash and investments were valued at £84.5M (Charity: £75.4M). On 31 December 2024 the free

reserves available to the Trustees to use as they see fit to achieve charitable aims were £57.3M all held in liquid assets.

The RAF Benevolent Fund has a robust financial planning process which includes a high level of financial plan up to 2029. These projections provide us with the context to set and manage annual budgets and have factored the actual outturn for 2024, budgets for 2025 and projected income generation and expenditure including associated risks for the three years to 2029. Expenditure on charitable activities is based on estimated demand and the knowledge we have about the needs of the RAF Family but, where we must update the plans in response to need, we will always take a cautious approach and take account of our fundraising performance.

In year, we monitor income and expenditure through our forecasting process and take necessary mitigating action when necessary to ensure financial outcomes remain within acceptable margins of the plan. Our forecasting also includes rolling cash forecasts which are updated monthly.

We continue to invest in our fundraising to increase our supporter base which will protect and grow future income and expect continued success over the next five years.

Managing risk

Our Board has overall responsibility for managing the risks the Fund and its subsidiary entities face. Each of the Board's Committees takes ownership of risk within their remit and they provide regular reports, recommendations and updates to the Board accordingly. Our Executive Leadership Team regularly assesses and manages risk on a routinely basis and our Board discusses strategic risks quarterly. The strategic risks we faced during the year were:

Income and financial sustainability

Risk: We are unable to raise sufficient income to fund the RAF Family's current and future welfare needs.

Mitigation: Focusing on growing our supporter database, developing individual and corporate relationships, increasing opportunities for fundraising, diversifying our income and monitoring our expenditure within approved budgets.

Our aim is to deliver support to our beneficiaries within affordable budgets ensuring that all our activities align with our charitable objects and Strategic Priorities. Our robust risk-based reserves policy was monitored, reviewed and approved by our Board during the year.

Meeting the needs of the RAF Family

Risk: Inability to continue meeting the RAF Family's needs due to the performance of the third-party organisations we rely on to provide services, our own failure to deliver effective and timely support, a rise in demand for our welfare services, or a lack of understanding of the RAF Family affecting our ability to deliver services that meet their needs.

Mitigation: Continuous monitoring of this risk through measurement and analysis of KPIs and data to ensure that we are meeting agreed targets. When awarding contracts to third-party suppliers we undertake robust due diligence, have built-in regular performance oversight and only work with those who share our values and high standards of delivery.

We continue to use data and analysis to understand the needs of the RAF Family and the environment we work in.

We also continue to engage closely with other charities to avoid overlap and competition as well as promote collaboration and partnership working wherever possible.

Safeguarding and duty of care

Risk: A failure in our safeguarding processes results in harm and significant damage to our reputation. We are committed to providing a safe and respectful environment for everyone who engages with us, whether they are members of the RAF Family, supporters, employees, contractors or volunteers.

Mitigation: Ensuring we have a robust safeguarding policy in place, which is supported by and reinforced with our other policies and independently audited every three years. An Internal Audit into the Fund's safeguarding policies and processes in 2024 delivered an assessment of 'Substantial Assurance', reporting that 'a well-designed and functioning management is in place for the safeguarding process within the Fund'. Additionally, Safeguarding training for staff and Trustees is mandatory and we have a dedicated Safeguarding Lead Trustee on our Board.

Information and data security

Risk: A significant data breach or disruption to our operations due to a system failure or malicious cyber-attack.

Mitigation: We have partnered with a leading Managed Security Service Provider to deliver around-the-clock, enterprise-grade threat monitoring and response. Its advanced technical controls and a dedicated 24/7 Security Operations Centre ensure that, we not only detect and neutralise emerging risks in real time, but also continuously refine our defences to ensure our digital estate is protected at the highest level. We make sure that our policies and procedures are up-to-date, compliant with legislation and the Information Commissioner's requirements and the appropriate policies and ways of working are embedded with our staff and volunteers. All our staff are required to undertake annual mandatory training on data protection and the UK General Data Protection Regulation (GDPR).

Governance and compliance with regulatory requirements

Risk: A failure to comply with a legal requirement, the Charity Governance Code, or Code of Fundraising Practice leads to reputational damage or financial cost.

Mitigation: We ensure we have ongoing relevant staff and volunteer training, including inductions for new Trustees. We keep abreast of changes in rules and regulations and ensure we understand the impact on our activities.

Structure, management, and governance

Public benefit

In the development and delivery of the Fund's strategy, aims and objectives, the Board of Trustees is satisfied that the extensive welfare support provided to our beneficiaries, along with the other charitable activities undertaken, meets the public-benefit requirements of the Charities Act 2011.

Reference and administrative details

The Royal Air Force Benevolent Fund has the Charity Commission registration number 1081009. As we own/lease land and properties in Scotland, we are also registered with the Office of the Scottish Charity Regulator (OSCR) to comply with the Charities and Trustee Investment (Scotland) Act 2005. Our registration number is SCO38109. Our restricted and endowed funds have a separate registration number, 207327.

In accordance with Section 96 of the Charities Act 1993 (now replaced by Section 20 of the Charities Act 2011), the Charity Commission has stipulated that the two charities, having the same charity Trustees, are to be treated as a single charity. We are also registered as a Royal Charter Company with the Companies House registration numbers ZC000201/RC000773.

The RAF Benevolent Fund Group also encompasses other entities – you can find details of these at the back of this report. We carry out some of our activities through these organisations.

Structure and governance

The Fund was founded in 1919, incorporated by Royal Charter in 1999, and amended by Privy Council Order in 2008 and 2017. Our purpose is set out in our objects as per our Royal Charter which was granted in 1999 and amended by Privy Council Order in 2008 and 2017. As well as the maintenance, upkeep and repair of the RAF Memorial at Victoria Embankment in London, our purpose is also to be here for every member of the RAF Family in need – listening, understanding and providing life-changing practical, emotional and financial support – and to promote the efficiency of the Royal Air Force with a view to enhancing the morale and well being of serving members of the Royal Air Force.

As required under our Charter, Trustees are elected by our Council, following a recommendation from the Board. Trustees usually serve an initial term of up to four years and may be eligible for re-appointment for a further term of up to four years, depending on their background, skills and experience (which is assessed via regular skills audits) and the current and future needs of the Fund. Trustees may not hold office for a continuous period of more than eight years without the consent of our Board. Our Board of Trustees is made up of no fewer than 10 and no more than 15 Trustees.

When seeking new Trustees, the Fund advertises the role in a variety of ways. Our new Trustees are offered a bespoke induction programme and opportunities for training throughout their term. During 2024, our Board, either as a whole or through its committees, continued to receive ongoing briefings and training in critical areas such as risk management and cyber security.

We have a Senior Independent Trustee whose role is to act as a sounding board for the Chair and as an intermediary for the other Trustees. We also have a dedicated Safeguarding Lead Trustee whose role is to advise the Board on safeguarding matters and ensure they are up-to-date with prevailing and emerging legislation and best practice.

Our Board met seven times in full session in 2024. It also met separately for an away-day strategy session.

The key governance activities undertaken by the Board in 2024 included:

- monitoring progress against the delivery of the Fund's strategy;
- monitoring the activities, through its committees, of our Executive Leadership Team, led by the Chief Executive;
- the annual review and approval of the Fund's reserves policy;
- review and approval of the Fund's Investments policy;
- approval of the Fund's Management of Interests policy; and
- appointing new external auditors for the Fund and its subsidiaries.

During the year, our Board Committees included:

- Finance, Audit and Investments Committee
- Fundraising, Communications and Engagement Committee
- Welfare and Safeguarding Committee
- Nominations Committee
- Remuneration Committee
- Major Grants Committee

We extend a thank you to all our non-Trustee committee members for their advice and guidance during the year.

Our Subsidiaries

We carry out some of our activities through the following subsidiaries, all of which the Fund is either the sole member, sole shareholder or sole Trustee:

- RAF Benevolent Fund Housing Trust Limited
- RAF Dependants Fund
- RAF Dependants Income Trust Limited
- RAF Benevolent Fund Trustees Limited (dormant)
- RAFBF Trading Limited
- RAFBF Property Company Limited (dormant)
- RAF Disabled Holiday Trust

Principal professional advisers

Independent external auditor

Saffery LLP (until 15 Oct 2024)
71 Queen Victoria Street
London
EC4V 4BE

Crowe U.K. LLP (from 15 Oct 2024)
55 Ludgate Hill
London
EC4M 7JW

Independent internal auditor

MHA
2 London Wall Place
London
EC2Y 5AU

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Actuary

Broadstone Corporate Benefits Limited
100 Wood Street
London
EC2V 7AN

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London
EC4M 7RD

Mills & Reeve
24 King William Street
London
EC4R 9AT

Investment managers

BlackRock Investment Management (UK) Limited (until 21 March 2024)
12 Throgmorton Avenue
London
EC2N 2DL

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

Close Brothers Asset Management (until 30 September 2024)
10 Crown Place
London
EC2V 7AN

Cazenove Capital (from 21 March 2024)
1 London Wall Place
London
EC2Y 5AU

Statement of Trustees' responsibilities

Our Trustees are responsible for preparing our Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires our Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and the group and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, our Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business

Our Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Charities Acts 2011 and 2022, the Charities and Trustee Investment (Scotland) Act 2005 (as amended by the Charities (Regulation and Administration) (Scotland) Act 2023), the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

They are also responsible for safeguarding our assets and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Fund's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Trustee declaration

Trustees hereby approve the 2024 Annual Report on 20 August 2025.



Richard Daniel BSc (Hons) FRAeS
Chair, Royal Air Force Benevolent Fund

Independent Auditor's Report to the Trustees

Opinion

We have audited the financial statements of the Royal Air Force Benevolent Fund (the parent charity) and its subsidiaries (the group) for the year ended 31 December 2024 which comprise consolidated statement of financial activities, the consolidated and charity balance sheets, the 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 of the parent charity's affairs as at 31 December 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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 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.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 39, the trustees 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We identified and assessed the risks of material misstatement of the Financial Statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the Financial Statements. The laws and regulations we considered in this context were Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were; General Data Protection Regulation (GDPR), Health and safety legislation and Taxation legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of legacy income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, internal audit, and the Finance

Committee about their own identification and assessment of the risks of irregularities, sample testing of legacies and the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, OSCR and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



Crowe U.K. LLP

Statutory Auditors

55 Ludgate Hill

London EC4M 7JW

Date: 18 September 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Financial statements

Consolidated statement of financial activities

For the year ended 31 December 2024

	Note	2024				2023			
		Unrestricted funds	Restricted funds	Endowed funds	Total	Unrestricted funds	Restricted funds	Endowed funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from									
Donations and legacies		15,367	603	-	15,970	13,159	657	-	13,816
Charitable activities		1,299	-	-	1,299	1,224	-	-	1,224
Other trading activities		267	-	-	267	271	-	-	271
Investments		2,596	101	-	2,697	2,462	61	-	2,523
Other income		1,416	-	-	1,416	978	-	-	978
Total Income	2	20,945	704	-	21,649	18,094	718	-	18,812
Expenditure on raising funds									
		5,117	11	-	5,128	5,209	8	-	5,217
Expenditure on charitable activities									
Direct support to individuals		9,631	318	-	9,949	11,266	345	-	11,611
Welfare programmes and grants		4,376	449	-	4,825	4,566	383	-	4,949
Housing support and assurance		2,291	76	-	2,367	2,196	160	-	2,356
		16,298	843	-	17,141	18,028	888	-	18,916
Total Expenditure	3	21,415	854	-	22,269	23,237	896	-	24,133
Net income/(expenditure) before gains/(losses) on investments		(470)	(150)	-	(620)	(5,143)	(178)	-	(5,321)
Transfers between funds		-	-	-	-	-	-	-	-
Net gains/(losses) on investments	11	1,845	39	286	2,170	4,624	11	18	4,653
Net income/ (expenditure)		1,375	(111)	286	1,550	(519)	(167)	18	(668)
Other recognised gains and losses:									
Actuarial gains/(losses) on defined benefit pension scheme	15	1,700	-	-	1,700	(835)	-	-	(835)
Net movement in funds		3,075	(111)	286	3,250	(1,354)	(167)	18	(1,503)
Total funds brought forward		111,665	4,977	5,976	122,618	113,019	5,144	5,958	124,121
Total funds carried forward	23	114,740	4,866	6,262	125,868	111,665	4,977	5,976	122,618

The notes on pages 43-73 form part of the financial statements. All amounts relate to continuing operations.

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

Consolidated and charity balance sheets

	Note	Group 2024	Group 2023	Charity 2024	Charity 2023
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	4	28	4	28
Tangible assets	10	28,637	29,113	4,149	4,370
Investments	11	68,794	76,073	61,200	68,646
Loans to beneficiaries	12	6,215	6,919	6,215	6,919
		103,650	112,133	71,568	79,963
Current assets					
Stock		11	10	-	-
Debtors and prepayments	13	8,891	8,461	19,073	19,382
Cash at bank and in hand		15,703	6,947	14,214	5,429
		24,605	15,418	33,287	24,811
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	14	(2,387)	(2,129)	(2,095)	(1,957)
Net current assets		22,218	13,289	31,192	22,854
Net assets excluding long-term liabilities and pension liability		125,868	125,422	102,760	102,817
Defined benefit pensions liability	15	-	(2,804)	-	(2,804)
Total net assets		125,868	122,618	102,760	100,013
Funds					
Endowment funds		6,262	5,976	6,262	5,976
Restricted funds		4,866	4,977	4,866	4,977
Designated funds		22,553	24,689	14,566	16,859
General funds		92,187	89,780	77,066	75,005
Pension reserve		-	(2,804)	-	(2,804)
Total funds brought forward	23	125,868	122,618	102,760	100,013

Approved by the Board of Trustees on 20 August 2025 and signed on its behalf by



Alastair Irvine
Honorary Treasurer

Consolidated statement of cash flows

For the year ended 31 December 2024

	2024	2023
	£'000	£'000
Net cash used in operating activities	(5,230)	(7,765)
Cash flows from investing activities		
Dividends and interest from investments	2,697	2,523
Proceeds from the sale of property	2,448	1,357
Purchase of property and equipment	(1,419)	(3,532)
Net withdrawal from investments	9,449	219
Net cash provided by investing activities	13,175	567
Cash flows from financing activities		
Loans awarded	(235)	(146)
Loan repayments	1,046	797
Net cash provided by financing activities	811	651
Change in cash and cash equivalents in the year	8,756	(6,547)
Cash and cash equivalents as at 1 January	6,947	13,494
Cash and cash equivalents as at 31 December	15,703	6,947
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for the year ended 31 December	1,550	(668)
Adjustments for:		
Depreciation charges and amortisation	691	914
Gains on investments	(2,170)	(4,653)
Dividends and interest from investments	(2,697)	(2,523)
Profit on the sale of fixed assets	(1,220)	(772)
Loan interest	(116)	(102)
Loans converted to grants	9	-
Loans written off less provision	-	18
Decrease/(increase) in stock	(1)	(5)
(Increases)/decrease in debtors	(430)	1,566
(Decrease)/increase in creditors	258	(454)
Pension interest expense	96	113
Pension fund costs	(1,200)	(1,200)
Net cash used in operating activities	(5,230)	(7,766)
Analysis of cash and cash equivalents		
Current accounts	15,703	6,947
Total cash and cash equivalents	15,703	6,947

Analysis of changes in net debt

	At 1 January 2024	Cashflows	At 31 December 2024
	£'000	£'000	£'000
Cash – Current Accounts	6,947	8,756	15,703

	At 1 January 2023	Cashflows	At 31 December 2023
	£'000	£'000	£'000
Cash – Current Accounts	13,494	(6,547)	6,947

Financial statements

For the year ended 31 December 2024

1 Principal accounting policies

Basis of preparation

These are the financial statements of the Royal Air Force Benevolent Fund and its related entities. The Charity was incorporated by Royal Charter in England and Wales on 24 November 1999. The Trustees of the Charity are named on page 2. The registered office is 67 Portland Place, London W1B 1AR.

Accounting convention

These financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the 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 (Charities SORP (FRS102), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in Note 27.

Functional currency

The Charity's functional and presentational currency is GBP and is shown as £'000s in the financial statements.

Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate. They have reassessed the business plans, income and expenditure projections, and taken the Charity's reserves levels into account. Their conclusion is that there is no doubt about the Charity's ability to continue operating as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of the approving the financial statements and are assured that the Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and that have not been designated by the Trustees for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against specific funds. The aim and use of the larger restricted funds is set out in the notes to the financial statements.

Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while Trustees have the power to convert expendable funds into income. These funds are set out in Note 26. The return on endowment investments is made up of income earned and gains or losses in the market value of the investments.

Income generated from endowment funds is spent on charitable activities. Investment income and gains are allocated to the appropriate fund.

Recognition of income

Income is recognised in the SOFA when the Charity becomes entitled to it, it is more likely than not that the income will be received, and the monetary value of the income can be estimated with sufficient accuracy. Entitlement to legacy income is assumed when there is sufficient evidence that a gift has been left to the Charity, usually through the notification of a Will. Receipt of legacy income is deemed probable when there has been a grant of probate, and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Charity or uncertainty around receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Recognition of expenditure

Expenditure is recognised in the SOFA on an accrual basis when an obligation that can be measured, or reliably estimated exists at the reporting date, and it is more than likely that payment will be paid in settlement.

Two main categories of expenditure shown in the SOFA are expenditure on raising funds and expenditure on charitable activities. Expenditure on raising funds includes all expenditure incurred to raise voluntary income to spend on charitable purposes as well as investment management fees. Expenditure on charitable activities includes all costs incurred by the Charity in carrying out its charitable aims to support the beneficiaries of the RAF Benevolent Fund.

Support costs

Support costs have been classified as: information technology and facilities, depreciation, general management and administration, finance and payroll, HR and governance. These costs have been allocated to activities on a basis consistent with the use of resources, and indirect costs have been apportioned on a headcount basis or in proportion to direct costs or income.

Grant commitments

Grants awarded are expensed in the SOFA in the year in which they are approved by the Trustees and the offer is conveyed to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet.

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1K (£5K in the RAF Benevolent Fund Housing

Trust Ltd) are capitalised and included at cost, including any incidental expense of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

• Freehold land	nil
• Freehold buildings	over 50 years
• Leasehold buildings	over the life of the lease, or 50 years if shorter
• Leasehold improvements	over 30 years
• Project and office equipment	over five years
• Computer equipment	over three years
• Motor vehicles	over five years

A full year's depreciation is provided in the year of asset acquisition, and none in the year of disposal.

Intangible fixed assets and amortisation

Software is classified as an intangible fixed asset and is capitalised where the cost plus incidental expenses incurred in acquisition is more than £1K.

Amortisation is provided on intangible fixed assets to write off the capitalised value on a straight-line basis over three years. A full year's amortisation is provided in the year of asset acquisition, and none in the year of disposal.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

Related party disclosures

The Charity has made the required disclosures in accordance with the Charities SORP (FRS 102).

Transactions with group undertakings are eliminated on consolidation.

Investment

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Income receivable on investments is recognised in the SOFA on the accruals basis.

Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Pension costs

Pensions are accounted for in accordance with FRS102 section 28, with a valuation undertaken by an independent actuary for the defined benefit scheme, the Royal Air Force Benevolent Fund Staff Pension Fund, which is closed to future accrual. Net pension finance income or costs are included immediately in other income or employee costs as appropriate.

Actuarial gains and losses are recognised immediately on the face of the SOFA. The scheme deficit is included as a liability in the balance sheet. Details of the pension scheme are included in Note 15 to the accounts.

The amounts charged to the SOFA for defined contribution schemes represent the contributions payable in the period.

Financial and operating costs

The Charity does not have any finance leases. Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred on a straight-line basis.

Loans

Loans are awarded to beneficiaries in furtherance of charitable activities. The particular circumstances of each case will determine whether or not the loan is awarded free of interest. When interest is charged the rate is considerably lower than prevailing market rates. Loans are recognised as assets at the value of the award. Accrued interest, where applicable, is recognised as income and added to the balance of the loan. Repayments are made as provided in the loan agreement. To facilitate the relief of hardship and distress, the commencement of repayments can be deferred.

Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Investments are also basic financial instruments, but valued at Fair Value instead of Cost.

With the exceptions of prepayments, taxation debtors/creditors and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See Notes 13 and 14 to the accounts.

Judgements and key sources of estimation uncertainty

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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

- **Legacy income** – Recognition of legacy income is a significant estimate and is done once the Fund is entitled to the legacy, it is probable that it will be received, and it can be reliably measured. Where the legacy is a residuary gift which is a share of the net value of an estate, income recognised in the accounts is estimated from known information about the value of the estate discounted by 10% to cover legal fees and, expenses, the value of any pecuniary or specific gifts, significant known debts, and Inheritance tax (IHT). Estimates are refined in accordance with ongoing updates. With pecuniary gifts income is recognised based on the legacy notification received.
- **Useful economic lives** – The annual depreciation charge for property and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.
- **Loans** – Specific provisions have been made against loans where there is a high risk of non-repayment.
- **Pension scheme deficit** – The underlying assumptions used by the actuary in valuing the scheme are in accordance with FRS102 and based on assumptions recommended by the actuary.

2 Income and endowments

	Unrestricted	Restricted	Endowed	Total 2024	Unrestricted	Restricted	Endowed	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies								
Royal Air Force service personnel	1,634	-	-	1,634	1,594	-	-	1,594
General donations	3,150	481	-	3,631	2,647	510	-	3,157
Government grants (Job Retention Scheme, DFG)	-	-	-	-	-	-	-	-
Legacy income	10,583	122	-	10,705	8,918	147	-	9,065
	15,367	603	-	15,970	13,159	657	-	13,816
Charitable activities								
Housing	1,157	-	-	1,157	1,102	-	-	1,102
Respite care	26	-	-	26	20	-	-	20
Loan interest	116	-	-	116	102	-	-	102
	1,299	-	-	1,299	1,224	-	-	1,224
Other trading activities								
Income from fundraising events	146	-	-	146	198	-	-	198
Trading income	121	-	-	121	73	-	-	73
	267	-	-	267	271	-	-	271
Investment income								
Dividends from pooled funds	1,939	101	-	2,040	2,115	61	-	2,176
Interest earned	657	-	-	657	347	-	-	347
	2,596	101	-	2,697	2,462	61	-	2,523
Other income								
Profit on the sale of fixed assets	1,220	-	-	1,220	772	-	-	772
Pension interest income	196	-	-	196	206	-	-	206
	1,416	-	-	1,416	978	-	-	978
Total Income	20,945	704	-	21,649	18,094	718	-	18,812

3 Analysis of expenditure

	Direct costs	External grants	Support costs	Total 2024	Direct costs	External grants	Support costs	Total 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	3,104	-	1,308	4,412	3,143	-	1,416	4,559
Regional engagement	337	-	-	337	308	-	-	308
Other trading activities	24	-	-	24	18	-	-	18
Investment management fees	355	-	-	355	332	-	-	332
	3,820	-	1,308	5,128	3,801	-	1,416	5,217
Charitable activities								
Direct support to individuals	8,328	-	1,621	9,949	10,156	-	1,455	11,611
Welfare programmes and grants	632	3,208	985	4,825	840	3,162	947	4,949
Housing Trust support	1,605	-	762	2,367	1,393	-	963	2,356
	10,565	3,208	3,368	17,141	12,389	3,162	3,365	18,916
Total expenditure	14,385	3,208	4,676	22,269	16,190	3,162	4,781	24,133

See Note 22 for analysis of welfare programmes and external grants.

4 Analysis of support costs

	Raising funds	Direct support to individuals	Welfare programmes and grants	Housing Trust support	Total 2024
	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	585	725	441	141	1,892
Depreciation and amortisation	76	95	57	466	694
General management and administration	30	37	22	7	96
Finance	210	260	158	50	678
Human resources	167	207	126	40	540
Governance	240	297	181	58	776
Total	1,308	1,621	985	762	4,676

	Raising funds	Direct support to individuals	Welfare programmes and grants	Housing Trust support	Total 2024
	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	604	635	414	129	1,782
Depreciation and amortisation	86	87	57	685	915
General management and administration	110	112	73	23	318
Finance	321	322	210	65	918
Human resources	164	166	108	34	472
Governance	131	132	86	27	376
Total	1,416	1,454	948	963	4,781

5 Staff costs

	2024	2023
	£'000	£'000
Wages and salaries	5,054	5,402
Social security costs	711	585
Pension costs	691	733
Termination and redundancy costs	-	94
Total	6,456	6,814

Costs for termination and redundancy are incurred when there is a constructive or legal obligation to make the payment.

The number of employees whose pay and benefits (excluding pension contributions) amounted to more than £60,000 in the year was as follows:

	2024	2023
	No.	No.
£60,001 – £70,000	7	3
£70,001 – £80,000	3	2
£80,001 – £90,000	-	1
£90,001 – £100,000	2	2
£100,001 – £110,000	1	-
£110,001 – £120,000	-	-
£120,001 – £130,000	-	-
£130,001 – £140,000	-	-
£140,001 – £150,000	1	1
Total	14	9

12 employees (2023: 7) whose pay and benefits amounted to more than £60,000 in the year were members of the Group Personal Pension Plan, a money purchase scheme.

The average number of employees, calculated on a headcount basis, analysed by function was:

	2024	2023
Charitable activities	74	77
Cost of generating funds	28	29
Governance, administration and support	21	23
Total	123	129

6 Key management personnel

The key management personnel of the RAF Benevolent Fund are the Executive Leadership Team (ELT), as at 31 December 2024, comprised of the Chief Executive, the Director Operations, the Director of Fundraising, the Director Strategy & Impact, the Associate Director Strategy & Impact, and the Director Resources. Total employee pay and benefits received by ELT for services to the Charity in 2024 were £593K (2023: £612K).

7 Net expenditure

	2024	2023
Net expenditure for the year is stated after charging:		
Amounts paid for audit services (including VAT):		
Audit fees (current year)	67	76
Audit fees (prior year under accruals)	14	-
Corporation Tax Services	-	2
Investment management fees	336	332
Amortisation of intangible assets	24	21
Depreciation	666	893
Operating leases	101	168
Profit on disposal of fixed assets	(1,220)	(772)

8 Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year 2024 (2023: £nil)

Out-of-pocket expenses were reimbursed to Trustees as follows:

	2024	2023	2024	2023
	No.	No.	£	£
Travel and Accommodation	6	8	3,260	4,959

9 Intangible assets

	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Software costs				
Cost on 1 January	2,556	2,542	2,556	2,542
Additions during the year	-	14	-	14
Disposals during the year	(22)	-	(22)	-
Cost at 31 December	2,534	2,556	2,534	2,556
Amortisation at 1 January	(2,528)	(2,507)	(2,528)	(2,507)
Amortisation for the year	(24)	(21)	(24)	(21)
Depreciation on disposals during the year	22	-	22	-
Accumulated amortisation at 31 December	(2,530)	(2,528)	(2,530)	(2,528)
Net book value 31 December	4	28	4	28

10 Tangible fixed assets

	Group 2024			Charity 2024		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	40,446	362	40,808	7,080	362	7,442
Additions during the year	1,419	-	1,419	74	-	74
Disposals during the year	(1,666)	-	(1,666)	(65)	-	(65)
Cost at 31 December	40,199	362	40,561	7,089	362	7,451
Depreciation at 1 January	(11,333)	(362)	(11,695)	(2,710)	(362)	(3,072)
Depreciation for the year	(666)	-	(666)	(221)	-	(221)
Depreciation on disposals during the year	437	-	437	(9)	-	(9)
Accumulated depreciation at 31 December	(11,562)	(362)	(11,924)	(2,940)	(362)	(3,302)
Net book value 31 December 2024	28,637	-	28,637	4,149	-	4,149

	Group 2023			Charity 2023		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	37,728	362	38,090	7,154	362	7,516
Additions during the year	3,518	-	3,518	-	-	-
Disposals during the year	(800)	-	(800)	(74)	-	(74)
Cost at 31 December	40,446	362	40,808	7,080	362	7,442
Depreciation at 1 January	(10,655)	(362)	(11,017)	(2,524)	(362)	(2,886)
Depreciation for the year	(893)	-	(893)	(226)	-	(226)
Depreciation on disposals during the year	215	-	215	40	-	40
Accumulated depreciation at 31 December	(11,333)	(362)	(11,695)	(2,710)	(362)	(3,072)
Net book value 31 December 2023	29,113	-	29,113	4,370	-	4,370

10 Tangible fixed assets (cont)

	Group 2024			Charity 2023		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net book value at 31 December is analysed as follows:						
Headquarters - London	3,590	-	3,590	3,851	-	3,851
Other properties	474	-	474	432	-	432
Gulf Trust Fund (restricted fund)	84	-	84	87	-	87
Charity	4,148	-	4,148	4,370	-	4,370
RAF Benevolent Fund Housing Trust Ltd	24,489	-	24,489	24,743	-	24,743
Group	28,637	-	28,637	29,113	-	29,113
The net book value of properties comprises:						
Freehold	24,772			24,932		
Long leasehold	3,865			4,181		
	28,637			29,113		

Properties held by the RAF Benevolent Fund Housing Trust Ltd support charitable activities. Properties are held so that beneficiaries, including wounded, injured or sick personnel who have been medically discharged from the RAF, can live in suitable, usually heavily adapted accommodation. Properties are stated at historical cost and depreciated as per the policy, stated in Note 1.

Prior year values have been updated to correctly reflect 67 Portland Place within the Long Leasehold category.

11 Fixed asset investments

	2024	Group 2023	2024	Charity 2023
	£'000	£'000	£'000	£'000
Market value as at 1 January	76,073	71,639	68,646	64,847
Additions	616	2,612	616	2,612
Withdrawals	(10,065)	(2,831)	(10,020)	(2,793)
Net investment gains	2,170	4,653	1,958	3,980
Market value at 31 December	68,794	76,073	61,200	68,646
Investments are represented by:				
Listed investments	68,155	75,453	60,561	68,026
Cash holdings in investments	(0)	12	(0)	12
RAF Disabled Holiday Trust Bonds	639	608	639	608
Total	68,794	76,073	61,200	68,646

The Charity is the only Trustee of the RAF Disabled Holiday Trust whose net assets to the value of £639K are included within investments. Also included is the Charity's share capital in the RAFBF Trading Co Ltd of £1, the results of this subsidiary entity are shown in Note 27.

12 Loans to beneficiaries

	2024	Group 2023	2024	Charity 2023
	£'000	£'000	£'000	£'000
Balance at 1 January	6,919	7,486	6,919	7,486
New loans	235	146	235	146
Interest charged	116	102	116	102
	7,270	7,734	7,270	7,734
Repayments	(1,046)	(797)	(1,046)	(797)
Loans converted to grants	(9)	-	(9)	-
Bad debts written off	-	-	-	-
Provision for loan conversion	-	(18)	-	(18)
Balance at 31 December	6,215	6,919	6,215	6,919

The Fund offers loans in cases where grant assistance is not appropriate or not possible. They enable asset rich but cash poor beneficiaries to remain in their homes. Loan interest is charged depending on the nature of the case and loan repayments are individually assessed on an 'affordable' basis. All but £56K (2023: £69K) of the Fund's loans are secured by legal charges on the properties of the beneficiaries. Loans have no fixed repayment date and are normally repayable from the beneficiary's estate. A specific 'bad debt' provision has been allowed for where there is a high risk of non-repayment.

13 Debtors

	2024	Group 2023	2024	Charity 2023
	£'000	£'000	£'000	£'000
Legacy accrued income	7,826	7,606	7,826	7,581
Inter company balance	-	-	10,263	11,066
Other debtors	918	647	872	578
Prepayments	147	208	112	157
	8,891	8,461	19,073	19,382

14 Creditors: amounts falling due within one year

	2024	Group 2023	2024	Charity 2023
	£'000	£'000	£'000	£'000
Trade creditors	432	230	429	221
Taxation and social security costs	202	243	268	277
Accruals for grants payable	1,308	1,109	1,059	1,052
Other creditors	445	547	339	407
	2,387	2,129	2,095	1,957

15 Pension commitments

The Royal Air Force Benevolent Fund pension arrangements are as follows:

A Group Personal Pension Scheme made up of a collection of individual pension plans arranged by the Fund is provided by an insurance provider. This service has been provided by Royal London since November 2016. The liability of the employer is limited to the contributions it makes which amounted to £693K (2023: £649K) of which £54K remained payable at the year end (2023: £56K).

Under FRS102 the amount of any surplus should be restricted so that it is no more than the economic benefits that could be realised by the charity, either in the form of future refunds or reductions in future contributions. As the charity does not have an unconditional right to the surplus arising on the FRS102 valuation of the Pension Fund, any surpluses are not recognised in the financial statements.

	2024	2023
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(23,371)	(27,453)
Fair value of plan assets	24,562	24,649
Limit on asset that can be recognised (change in unrecoverable surplus)	(1,191)	-
Net defined benefit liability	-	(2,804)

The amounts recognised in the SOFA are as follows:

Net interest expense on net defined benefit liability	96	113
Total pension expense recognised in the SOFA	96	113

Reconciliation of defined benefit obligation over the year

Defined benefit obligation as at 1 January	(27,453)	(27,338)
Interest expenses on defined benefit obligation	(1,160)	(1,226)
Remeasurement - effect of experience adjustments gain	700	54
Remeasurement - effect of changes in assumptions loss	2,951	(297)
Benefits paid	1,591	1,354
Defined benefit obligation as at 31 December	(23,371)	(27,453)

Changes in the fair value of plan assets over the year:

Fair value of plan assets as at 1 January	24,649	24,282
Interest income on plan assets	1,064	1,113
Remeasurement - return on plan assets excluding interest income gain	(760)	(592)
Contributions by employer	1,200	1,200
Benefits paid	(1,591)	(1,354)
Fair value of plan assets as at 31 December	24,562	24,649

Return on plan assets	304	521
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Remeasurements recognised in SOFA

Remeasurement - effect of experience adjustments gain	700	54
Remeasurement - effect of changes in assumptions gain/(loss)	2,951	(297)
Remeasurement - return on plan assets excluding interest income gain	(760)	(592)
Total remeasurement gain/(loss) recognised in SOFA	2,891	(835)

15 Pension commitments (cont)

	2024		2023	
	£'000	%	£'000	%
Assets:				
Target Return Fund	24,128	98.2%	24,260	98.4%
Cash/other	434	1.8%	389	1.6%
	24,562	100%	24,649	100%

	2024	2023
Principal actuarial assumptions at the balance sheet date:		
Discount rate	5.4%	4.4%
RPI inflation rate	3.3%	3.2%
CPI inflation rate	2.8%	2.6%
Increases to pensions in deferment (CPI max 5%)	2.8%	2.6%
Increases to pensions in payment (CPI max 5%)	2.7%	2.6%
Commutation (% of pension)	22%	25%
Mortality – base table	S4PA	S3PA
Mortality – allowance for future improvements	CMI 2023 1.0% LTR	CMI 2022 1.0% LTR
Life expectancies from age 63:		
Male currently aged 63	85.9	86.1
Female currently aged 63	88.5	88.6
Male currently aged 43	87.0	87.1
Female currently aged 43	89.7	89.8

Amounts for current and previous four periods are as follows:

	2024	2023	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(24,562)	(27,453)	(27,338)	(39,680)	(41,561)	(37,767)	(34,526)
Fair value of plan assets	24,562	24,649	24,282	26,215	25,030	24,039	22,231
Deficit	-	(2,804)	(3,056)	(13,465)	(16,531)	(13,728)	(12,295)

16 Related party disclosure

Donations to the value of £1,375 (2023: £826.25) were received from individual Trustees in the year.

Details of all inter-company transactions are shown in Note 27 on subsidiary entities.

17 Ultimate controlling party

The Trustees do not consider there to be an ultimate controlling party.

18 Capital commitments

There were no major planned capital commitments for 2024.

19 Analysis of group net assets between funds

	Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds	
	2024	2023	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible, intangible fixed assets	28,558	29,054	83	87	-	-	28,641	29,141
Investments	59,799	67,434	2,732	2,662	6,263	5,977	68,794	76,073
Loans to beneficiaries	6,215	6,919	-	-	-	-	6,215	6,919
Current assets	22,009	12,385	2,051	2,228	545	525	24,605	15,418
Current liabilities	(1,841)	(1,603)	-	-	(546)	(526)	(2,387)	(2,129)
Pension liability	-	(2,804)	-	-	-	-	-	(2,804)
Total net assets	114,740	111,385	4,866	4,977	6,262	5,976	125,868	122,618

20 Operating leases

At 31 December 2024 the group had total annual commitments under non-cancellable operating leases, all for office equipment and vehicles as follows:

	2024	2023
	£	£
Payments due: office equipment and vehicles		
Within one year	56,260	69,833
Within two to five years	44,869	99,345
Total	101,129	169,178

21 Contingent liability

The actuarial valuation of the Scheme as at 31 December 2023 revealed a funding shortfall (Technical Provisions minus the value of assets of £2,373,000). This funding shortfall is expected to be eliminated by the end of the Recovery Plan which is two years and three months after the valuation date. This expectation is based on technical provisions calculated according to the method and assumptions and return on existing assets and new contributions set out in the Statement of Funding Principles dated 18 March 2025.

The agreed Deficit Recovery Plan is for the Charity to pay £100,000 per month to the Pension Scheme until March 2026.

The legal mortgage over the Charity's Head Office at 67 Portland Place and 45 Devonshire Close, London, granted in favour of the Trustee of the Staff Pension Fund expired at the end of December 2024 and it was agreed with the Pension Scheme Trustee that this charge does not need to be reinstated.

22 Welfare programmes and External grants

	2024	2023
	£'000	£'000
GRANT FUNDING TO THE SERVING ROYAL AIR FORCE		
Station grants		
603 RAuxAF Sqn Edinburgh	1	1
RAF Akrotiri	1	4
502 Sqn Aldergrove	1	-
RAF Benson	38	3
RAF Boulmer	3	1
MOD Boscombe Down	-	1
RAF Brize Norton	9	28
RAF Coningsby	2	14
RAF Cosford	5	9
RAF College Cranwell	4	3
RAF Digby	3	16
RAF Episkopi	10	-
BFSAI Falklands	-	1
RAF Fylingdales	15	1
RAF Gibraltar	0	-
RAF Halton	1	2
RAF Henlow	4	14
RAF High Wycombe	3	3
RAF Honington	4	7
RAF Leeming	1	8
RAF Lossiemouth	40	3
RAF Marham	4	8
RAF Northolt	2	1
RAF Odiham	2	38
RAF Shawbury	1	3

	2024	2023
	£'000	£'000
MOD St Athan	-	-
RAF St Mawgan	3	3
RAF Valley	4	3
RAF Waddington	39	11
DMS Whittington	-	1
RAF Wittering	6	107
203 Sqn Brunei	6	1
602 Sqn (Glasgow)	1	-
Chicksands DITG	-	13
Kings Camp SHAPE and Brunsumm	-	3
RAF Spadeadam	1	1
RAF Wyton	3	7
MOD Corsham	1	-
RAF(U) Swanwick	1	1
RRC Crickhowell	16	-
The Kings Foundation	5	-
	240	317

TOTAL GRANT FUNDING TO THE SERVING ROYAL AIR FORCE	240	317
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	2024	2023
	£'000	£'000
CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE		
Airplay programme		
RAF stations - youth support programme	1,204	1,101
	1,204	1,101
General support		
RAF Families Federation	15	15
	15	15
RAF Episkopi	-	(2)
RAF Scampton	-	(58)
MOD Worthy Down	-	(2)
Grant Refund (RAF Shawbury)	(1)	-
TOTAL CONTRACTED SERVICES TO THE SERVING ROYAL AIR FORCE	1,218	1,054
TOTAL GRANTS AND CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE	1,458	1,371

	2024	2023
	£'000	£'000
CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES		
Wellbeing partnerships		
Headspace (mental wellbeing)	74	74
Silver Line/Age UK	128	130
Work Stress Management (listening and counselling)	624	609
Manage Health (listening and counselling)	-	-
Relate (young people listening and counselling)	107	79
PAM (listening and counselling)	274	283
Workshop and coaching	-	5
	1,207	1,180
Relationship support		
Relate - relationship counselling/mediation	201	218
TOTAL CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	1,408	1,398

	2024	2023
	£	£
GRANTS FUNDING TO THE VETERANS' COMMUNITIES		
AFCFT grant (Operation Unite)	176	55
Age Concern Spain - ACASA	-	5
Combat Stress	-	81
Defence Medical Welfare Service	-	10
Fares4Free	5	-
The Veterans Charity	5	-
On Course Foundation	3	3
RAF Widows' Association	34	36
Royal Commonwealth Ex-Services League (includes support towards caseworking costs)	15	27
Scotty's Little Soldiers	-	10
Slovak Western Front Army Veterans Widows	-	2
SSAFA, the Armed Forces Charity (includes support towards caseworking costs)	21	22
Highground	4	-
Mission Motorsport	5	-
Waterloo Uncovered	4	-
Anxious Minds (Veteran Recovery College)	-	3
Eastern European Veterans - Poland	3	3
Eastern European Veterans - Slovakia	2	2
Lord Kitcheners Memorial Holiday	-	2
Lothians Veterans Centre	-	3
Polish Veterans Widow payment	-	2

	2024	2023
	£'000	£'000
RAF E-Sports	-	1
Taxi Charity for Military Veterans	-	4
Team Endeavour Racing UK CIC	-	5
The Orchestra of the Swan	-	3
Veterans Chaplaincy Scotland	-	3
Veterans Outdoors	5	4
We Are With You (formerly Addaction)	-	10
	282	292
Employment support		
The Poppy Factory	-	16
Regular Forces Employment Association	56	55
Walking With The Wounded	5	-
The Warrior Programme	-	-
	61	71
Housing support		
Queen Elizabeth Hospital Birmingham Hospital Charity - Fisher House	-	10
	-	10
Residential and respite care		
Care for Veterans	-	20
	-	20
TOTAL GRANT FUNDING TO THE VETERANS' COMMUNITY	343	393
TOTAL GRANT AND CONTRACTED SERVICES PAYMENTS TO THIRD PARTIES	3,209	3,162
Total contracted services	2,626	2,452
Total discretionary grants	583	710
TOTAL COST OF SUPPORT THROUGH GRANT AND CONTRACTED SERVICES	3,209	3,162

23 Statement of funds

	At 1 January 2024	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2024	Charity at 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	89,780	20,539	(18,609)	1,677	(1,200)	92,187	77,066
Designated funds - see Note 24	24,689	406	(2,710)	168	-	22,553	14,566
Pension reserve	(2,804)	-	(96)	1,700	1,200	-	-
Total unrestricted funds	111,665	20,945	(21,415)	3,545	-	114,740	91,632
Restricted income funds - see Note 25	4,977	704	(854)	39	-	4,866	4,866
Endowment funds - see Note 26	5,976	-	-	286	-	6,262	6,262
Total funds	122,618	21,649	(22,269)	3,870	-	125,868	102,760

	At 1 January 2023	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2023	Charity at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	88,164	17,685	(18,814)	3,990	(1,245)	89,780	75,195
Designated funds - see Note 24	27,911	409	(4,310)	634	45	24,689	16,859
Pension reserve	(3,056)	-	(113)	(835)	1,200	(2,804)	(2,804)
Total unrestricted funds	113,019	18,094	(23,237)	3,789	-	111,665	89,250
Restricted income funds - see Note 25	5,144	718	(896)	11	-	4,977	4,977
Endowment funds - see Note 26	5,958	-	-	18	-	5,976	5,976
Total funds	124,121	18,812	(24,133)	3,818	-	122,618	100,203

Unrestricted Funds

The sum of £22.5M (2023: £24.7M) is included in unrestricted funds and relates to the following designated reserves:

£7.8M (2023: £7.8M)	Reserves held by the RAF Dependants Fund to relieve immediate financial distress in the event of the death of a subscriber by giving a tax free grant, payable at the discretion of the Fund.
£4.2M (2023: £5.6M)	Pension deficit recovery contributions based on a revised recovery plan to pay £100K per month up to October 2028.
£9.5M (2023: £10.4M)	Enhanced welfare provision to (1) advance our strategic ambitions (2) enhance our welfare delivery and (3) build on our success
£935k (2023: £935k)	Property Fund to be used to maintain the Charity's presence in Scotland as required.

The transfer of £1.2M (2023: £1.2M) from general reserves to the pension reserve represents the Fund's contribution paid into the defined benefit pension scheme in the year.

Restricted Income Funds – Over £100K

Bomber Command Memorial	Maintenance of the Bomber Command Memorial in Green Park, Piccadilly
Gulf Trust	The funds are held in a ring-fenced fund for the benefit of RAF Gulf War Veterans
Lowe Trust	Supports Battle of Britain veterans and their descendants
RAF Disabled Holiday Trust	Providing holidays to severely disabled serving and ex-RAF personnel and their immediate dependants
Afghan Brain Injury	Support to veterans of Afghanistan who have sustained a brain injury
Armed Forces Covenant Fund - Operation Unite	To support Afghan veterans' mental health

Endowment Funds – Over £100K

E H Jubb Fund	For the benefit of aircrew, their widows and dependants
Newton Driver Memorial Fund	For the maintenance and upkeep of property used as a home for members of the RAF and their dependants who are convalescent or disabled. If the income cannot be used for this purpose it can be applied for general purposes of the Fund.
Viscount Nuffield Endowment	Income used for general purposes
Hector Pilling Memorial Fund	To provide financial assistance for foundationers at the Duke of Kent School
RAF Prize Trust	To help with the education of dependants of deceased members of the RAF killed on duty or attributable to Service
Douglas Turner Benefaction	To be used for the assistance or benefit, including education, of former or future pilots and navigators and their dependants
RAFBF Educational Endowment Fund	To promote the education of the children of members of the Royal Air Force
RAFBF Educational Expendable Fund	To promote the education of the children of members of the Royal Air Force
Peter Henry Slater-Eiggert Memorial Fund	For the benefit of ex-members and dependants of 83 Squadron
The Revd. James Edmund Strickland Memorial Fund	For the use of general purposes of the Royal Air Force Benevolent Fund

24 Designated funds

	At 1 January 2024	Income	Expenditure	Net gains	Transfers	At 31 December 2024
	£'000	£'000	£'000	£'000	£'000	£'000
Pension deficit recovery contributions	5,565	-	(1,393)	-	-	4,172
Enhanced welfare provision/Strategic development projects	10,359	-	(900)	-	-	9,459
Property Fund for the Scotland Office	935	-	-	-	-	935
Total designated funds - Charity	16,859	-	(2,293)	-	-	14,566
RAF Dependants Fund	7,829	575	(417)	-	-	7,987
Total designated funds - Group	24,688	575	(2,710)	-	0	22,553

	At 1 January 2023	Income	Expenditure	Net gains	Transfers	At 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Pension deficit recovery contributions	7,000	-	(1,435)	-	-	5,565
Enhanced welfare provision	12,800	-	(2,441)	-	-	10,359
Property Fund for the Scotland office	935	-	-	-	-	935
Total designated funds - Charity	20,735	-	(3,876)	-	-	16,859
RAF Dependants Fund	7,176	1,043	(435)	-	45	7,829
Total designated funds - Group	27,911	1,043	(4,311)	-	45	24,688

Trustees agreed to redesignate funds previously earmarked for enhanced welfare delivery to reflect current requirements for transformation in systems, welfare services and fundraising capability over the 2025 to 2027 period. In 2025 funds will be used for our CRM replacement project which is scheduled to be completed in 2027 and the acceleration of our community engagement support.

25 Restricted funds

RAF Benevolent Fund is responsible for a large portfolio of restricted funds. We have disclosed any individual funds with an opening or closing balance of over £10,000. The remainder of funds is grouped together under Other grant making funds within the restriction they are committed to.

	As at 1 January 2024	Income	Expenditure/ transfer	As at 31 December 2024	As at 1 January 2023	Income	Expenditure/ transfer	As at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Education								
RAFBF Educational					16	14	29	-
RAFBF Educational Endowment Fund	-	-	-	-	21	-	21	-
Other grant making funds	-	22	22	-	9	8	17	-
	-	22	22	-	46	22	67	-
Housing								
Housing Trust General Restricted Fund	-	41	41	-	82	62	144	-
	-	41	41	-	82	62	144	-
Other								
Bomber Command Memorial	2,808	165	68	2,905	2,785	72	50	2,808
Trustee General & Learning and Development	22	-	-	22	-	22	-	22
Gulf Trust	378	-	24	353	450	-	73	378
	3,208	165	92	3,280	3,235	94	123	3,208
Welfare Programmes								
Armed Forces Covenant Fund Trust (Operation Unite)	199	-	176	23	204	162	166	199
Airplay	-	-	-	-	15	113	128	-
The Red Arrows Trust Serving Family Breaks	-	-	-	-	10	-	10	-
Other grant making funds	-	-	-	-	5	2	7	-
Restricted to RAF Valley	14	-	1	13	14	-	-	14
	213	-	177	36	248	277	311	213
Individual welfare								
Afghan Brain Injury	227	-	-	227	227	-	-	227
RAF Disabled Holiday Trust	581	47	29	599	576	5	-	581
Fulmer Fund	51	-	-	51	51	-	-	51
Lowe Trust	572	-	-	572	572	-	-	572
Vets, CEW, Reminiscence Groups, 2023	8	28	24	12	-	-	-	-
Other grant making funds	6	441	441	6	13	236	236	14
B Browns CT Financial Assistance	25	-	25	-	-	33	8	25
Royal Observer Corps	87	-	4	83	95	-	8	87
	1,556	516	523	1,550	1,534	274	252	1,557
Total restricted funds	4,977	744	792	4,866	5,146	729	895	4,977

26 Endowment funds

The purpose of funds exceeding £100,000 is set out under Note 23.

	As at 1 January 2024	Unrealised Gain/(loss)	As at 31 December 2023	As at 1 January 2023	Unrealised Gain/(loss)	As at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Permanent endowment funds with unrestricted income						
Pilot Officer J P L Branson Memorial Fund	49	2	51	49	-	49
Pilot Officer James Erskine Cunning Memorial Fund	46	2	48	46	-	46
Flying Officer L S Delaney Trust	13	1	14	13	-	13
Paddy Finucane Memorial Fund	20	1	21	20	-	20
Louise Alice Kay Memorial Fund	41	2	43	41	-	41
Mosquito Memorial Fund	11	1	12	11	-	11
Flying Officer Douglas Frank Newsham Memorial Fund	36	2	38	36	-	36
Viscount Nuffield Endowment	1,059	51	1,110	1,056	3	1,059
Helen Mary Renton Fund	43	2	45	43	-	43
RAF Rugby Union Fund	51	2	53	51	-	51
Peter Henry Slater-Eiggert Memorial Fund	146	7	153	146	-	146
The Revd. James Edmund Strickland Memorial Fund	105	5	110	105	-	105
	1,620	78	1,698	1,617	3	1,620
Expendable endowment funds with unrestricted income						
Flying Officer William Dron Memorial Fund	2	-	2	2	-	2
Frederick Eley Fund	5	-	5	5	-	5
Wing Commander J Higginson Fund	10	-	10	10	-	10
Peter Grattan Holt Memorial Fund	50	3	53	50	-	50
E H Jubb Fund	336	16	352	335	1	336
Middle East Relief Fund	43	2	45	43	-	43
Morley Fund	7	-	7	7	-	7
Orlebar Memorial Fund	8	-	8	8	-	8
Shattock Memorial Scholarship Fund	12	1	13	12	-	12
Wooding Memorial Fund	9	-	9	8	-	8
	482	22	504	480	1	481
Permanent endowment funds where the use of the income is restricted						
Newton Driver Memorial Fund	2,150	103	2,253	2,144	6	2,150
Group Captain W E Purdin Memorial Fund	3	-	3	3	-	3
RAFBF Educational Endowment Fund	544	26	570	543	2	545
Douglas Turner Benefaction	130	6	136	129	-	129
	2,827	135	2,962	2,819	8	2,827
Expendable endowment funds where the use of the income is restricted						
Mrs H M Jereham Memorial Fund	30	1	31	30	-	30
Hector Pilling Memorial Fund	633	30	663	631	2	633
RAF Prize Trust	242	12	254	241	1	242
RAFBF Educational Expendable Fund	143	7	150	143	-	143
	1,048	50	1,098	1,045	3	1,048
Total endowment funds	5,977	285	6,262	5,961	15	5,976

27 Subsidiary entities

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

	RAFBF Trading Ltd		RAF Dependants Fund		RAF Dependants Income Trust Ltd		RAFBF Housing Trust Ltd		RAF Disabled Holiday Trust		Subsidiary Entities	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:												
Donations	-	-	-	0	-	-	2	35	50	56	52	91
Investments	7	5	242	238	2	2	47	50	-	-	298	295
Other trading activities	120	73	-	-	-	-	-	-	-	-	120	73
Charitable activities	-	-	-	-	-	-	1,137	1,077	-	-	1,137	1,077
Profit on sale of properties	-	-	-	-	-	-	980	749	-	-	980	749
Subscriptions	-	-	164	171	32	35	-	-	-	-	196	206
	127	78	406	409	34	37	2,166	1,911	50	56	2,783	2,491
Expenditure on:												
Charitable activities	65	47	360	380	-	-	2,093	1,849	29	32	2,547	2,308
Other trading activities	58	28	-	-	-	-	-	-	-	-	58	28
Management and administration	4	3	57	54	34	37	-	-	-	-	95	94
	127	78	417	434	34	37	2,093	1,849	29	32	2,700	2,430
Net gains/(loss) on investment assets	-	-	168	634	-	-	-	-	(4)	5	164	639
Net result of subsidiary	-	-	157	609	-	-	73	62	17	29	247	700

RAFBF Trading Ltd

Company number: 07768120

A company set up for the RAF Benevolent Fund to conduct trading in support of its charitable objectives. The Company donated £65,527 to the Fund in 2024 (2023: £47,632).

The inter-company balance owed to the Fund at year end was £270,127 (2023: £111,913). The net assets at year end were £1 (2023: £1).

RAF Dependants Fund

Charity number: 253492

A charity with the RAF Benevolent Fund as custodian Trustee. Set up to promote the efficiency of the RAF through relieving dependants of deceased serving personnel from financial distress. There were 18 deaths in 2024 (2023:19).

The inter-company balance owed to the Charity at year end was £77,153 (2023: £21,956). The net assets at year end were £7,986,844 (2023: £7,829,762).

RAF Dependants Income Trust Limited

Company number: 01285364

A company set up for RAF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were 7 member deaths in 2024 (2023: 7) and beneficiaries received payments made on behalf of the Trust by the underwriters Aviva. The company donated £nil to the Charity in 2024 (2023: £nil).

The inter-company balance owed to the Charity at year end was £4,447 (2023: £26,177). The net assets at year end were £3,339 (2023: £3,339).

RAF Benevolent Fund Housing Trust Limited

Company number: 1058896

Charity number: 264636
Scottish charity number: SCO38218

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to hold and operate properties of beneficiaries of the RAF Benevolent Fund.

The inter-company balance owed to the Fund at year end was £9,904,766 (2023: £10,860,939). The net assets at year end were £14,797,221 (2023: £14,724,217).

RAF Disabled Holiday Trust

Charity number: 286019

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to provide holidays to disabled serving and former members of the RAF and their dependants. The Trust purchases holiday bonds which entitles it to book holidays in the UK and Europe for its beneficiaries.

The inter-company balance owed by the Charity at year end was £91,145 (2023: £77,260). The net assets at year end were £568,359 (2023: £550,961).

RAF Benevolent Fund Gift in Kind amounted to £8,880 (2023: £3,840).

Subsidiary organisations

RAF Benevolent Fund

Housing Trust Limited

Companies House: 1058896
Charity Commission: 264636
OSCR: SC038218

Directors/Trustees:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Patrick Aylmer
Wing Commander Sarah Davis
Air Commodore Simon Harper
Alan Porter (from 25 Mar 2025)
Emrys Rogers

RAFBF Trading Limited

Companies House: 07768120

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Alison Benjamin
James Dooley

RAF Disabled Holiday Trust

Charity Commission: 286019

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

RAF Dependants Income

Trust Limited

Companies House: 01285364

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Richard Cryer
Air Commodore Simon Harper
Wing Commander Clive Martland
Group Captain Dawn Murty (until 14 May 2025)
Tracey Bottrill (from 14 May 2025)

RAF Dependants Fund

Charity Commission: 253492

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

Management Committee members:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Richard Cryer
Air Commodore Simon Harper
Wing Commander Clive Martland
Group Captain Dawn Murty (until 14 May 2025)
Tracey Bottrill (from 14 May 2025)

Scheme Manager:

Dave Pinner (until 10 Nov 2024)
Andy Cairns (from 11 Nov 2024)

RAF Benevolent Fund

Trustees Limited

Companies House: 00945083

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Patrick Aylmer
Wing Commander Sarah Davis
Air Commodore Simon Harper
Alan Porter (from 25 Mar 2025)
Emrys Rogers

RAF Property Company

Limited (dormant)

Companies House: 10456754

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro

Royal Observer Corps

Benevolent Fund (dormant)

Charity Commission: 209640
OSCR: SCO37659

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)



**Royal Air Force
Benevolent Fund**

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Call: **0300 102 1919**

Royal Air Force Benevolent Fund

67 Portland Place

London

W1B 1AR



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The RAF Benevolent Fund is a registered charity in England and Wales (1081009) and Scotland (SC038109)

THE ROYAL AIR FORCE BENEVOLENT FUND

England & Wales - Charity number 207327

Accounts

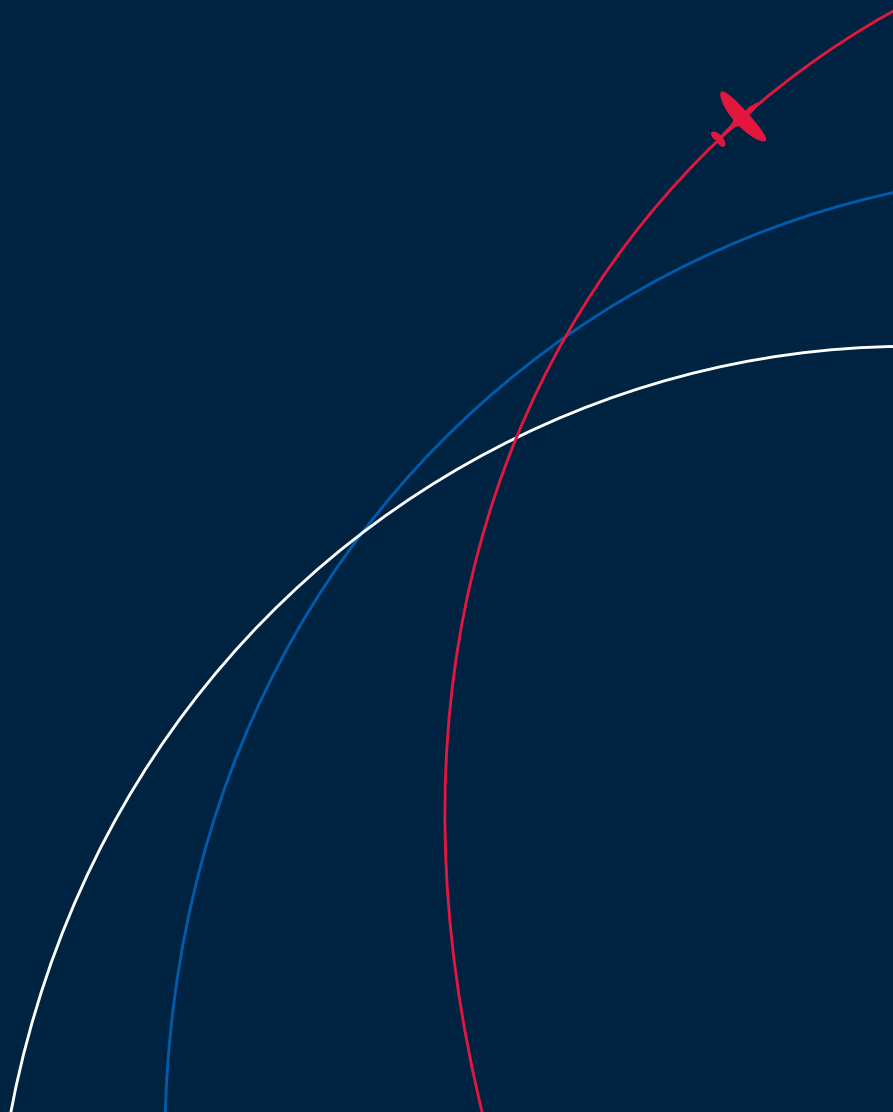


Royal Air Force
Benevolent Fund

ANNUAL REPORT

2023

TRUSTEES' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 DECEMBER 2023



PRINCIPALS, TRUSTEES AND EXECUTIVE LEADERSHIP TEAM

PATRON

His Majesty The King

PRESIDENT

HRH The Duke of Kent
KG GCMG GCVO CD

LIFE VICE-PRESIDENTS

Marshal of the Royal Air Force The Lord Craig
of Radley GCB OBE MA DSc FRAeS

Air Chief Marshal Sir Michael Graydon
GCB CBE ADC FRAeS

Air Chief Marshal Sir Stephen Hillier
GCB CBE DFC MA

Air Chief Marshal Sir Richard Johns
GCB KCVO CBE FRAeS

Air Chief Marshal Sir Roger Palin
KCB OBE MA FRAeS FIPD

Lady Hillier

VICE-PRESIDENT

John Isabel DL

COUNCIL

Chair

Richard Daniel BSc (Hons) FRAeS

Deputy Chair

The Viscount Trenchard of Wolfeton DL

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Members

Alison Benjamin BA (Hons)

Graeme Craig MA (Appointed 1 April 2023)

Wing Commander Sarah Davis MBA MSc
FCIPD

Lady Hillier

Air Chief Marshal Sir Richard Knighton
KCB ADC FREng (Appointed 2 June 2023)

Air Marshal Paul Lloyd CBE MSc MA MDA
BEng CEng FIMechE RAF (Appointed 18
September 2023)

Wing Commander Marie-Noelle Orzel OBE
QVRM MSc PGDE RGN RSCN

Rachel Prendergast BA (Hons) MA

Stepped down during the reporting period

David Cheyne MA (Cantab) (31 Mar 2023)

Air Chief Marshal Sir Michael Wigston
KCB CBE ADC RAF (2 June 2023)

Richard Maddison OBE MA
(14 May 2023 to September 2023)

BOARD OF TRUSTEES

Chair

Richard Daniel BSc (Hons) FRAeS

Trustees as of 2 July 2024 (date report approved)

Wing Commander Dr Sophie Allen MBChB
MRCGP DRCOG DFSRH DOccMed DAvMed
PGCME

Allyson Arnold MSc BScN (Hons)

Patrick Aylmer FCA

Alison Benjamin BA (Hons)

Graeme Craig MA

Richard Cryer MA (Cantab) FCA

Wing Commander Sarah Davis MBA MSc
FCIPD

Alastair Irvine BA (Hons) MCSI

Squadron Leader Clive Martland MBE

Lady Meri Mayhew BA (Hons)

Rachel Prendergast BA (Hons) MA

Stepped down during the reporting period

David Cheyne MA (Cantab) (31 Mar 2023)

Peggy Walters MA (18 May 2024)

EXECUTIVE LEADERSHIP TEAM

Controller

Air Vice-Marshal Chris Elliot
CB CBE DL MA BSc

Director of Resources

Victoria Akinboro BSc (Hons) ACMA CGMA

Director of Fundraising

Jason Shauness BEc (Hons) Grad Dip REM
(until 17 Mar 2023)

Air Commodore Paul Hughesdon MBE MA
(interim, 27 Mar to 15 June 2023)

Ben Alonso (from 10 July 2023)

Director of Grants, Strategy and Programmes

Air Commodore Paul Hughesdon MBE MA
(until 8 Mar 2023)

Air Commodore Simon Harper
OBE MA FCIPD
(from 9 Mar 2023)

Director of Strategy and Impact

Alison Wyman MSc BSc (Hons) CG (Affiliated)
(until 30 June 2023)

Dr Hannah Brooking MSc BSc (interim from
30 June 2023, permanent from 23 Oct 2023)

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A FOREWORD FROM OUR PRESIDENT, HRH THE DUKE OF KENT



As we reflect on 2023, we are reminded of the profound significance this year held. It marked the 100th anniversary of the RAF Memorial, a poignant tribute to the brave men and women of the Royal Air Force who made the ultimate sacrifice during the First and Second World Wars and have no known graves. This memorial is not just a symbol of remembrance for those who served in the past; it also stands as a testament to the courage and dedication of today's RAF personnel and those who will serve in the future. It is for these heroes and their families that the RAF Benevolent Fund exists.

Memorials play a crucial role in recognising, remembering, and educating us about the immense losses and remarkable achievements of wartime. For instance, the Bomber Command Memorial honours the 55,573 Bomber Command crew members who perished during the Second World War. Last year's memorial service was especially poignant as we mourned the loss of two of our cherished Bomber Command veterans.

In 2023, I had the honour of attending the Trenchard Memorial Service at the RAF Chapel in Westminster Abbey with the RAF Benevolent Fund. We paid our respects to Marshal of the Royal Air Force Hugh Trenchard, 1st Viscount Trenchard, known to many as the 'Father of the RAF'. It was Lord Trenchard's visionary leadership that led to the founding of the RAF Benevolent Fund in 1919. Since then, the RAF Benevolent Fund has been a steadfast source of support for hundreds of thousands of RAF personnel, veterans, and their families in their hour of need.

Throughout the past century, the RAF Benevolent Fund has shown remarkable adaptability, evolving to meet the changing needs of the RAF Family. In 2023, this commitment remained unwavering as we supported over 42,200 members of the RAF Family, providing essential assistance where it was needed most.

The RAF Benevolent Fund remains dedicated to standing by the RAF Family through all of life's challenges. No matter what the future holds, the Fund is committed to being there for those who have served and continue to serve our nation.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'Duke', with a long, sweeping horizontal line extending to the right.

HRH The Duke of Kent
KG GCMG GCVO CD
President, RAF Benevolent Fund

ABOUT US

We are the RAF Benevolent Fund, dedicated to standing by veterans, serving personnel, and their families, including those in our bereaved community, through their most challenging times.

We're here to empower members of the RAF Family to seek assistance whenever it is needed to improve their quality of life, independence and wellbeing.



OUR VISION

Everyone in our RAF Family – veterans, serving personnel and their families – gets support in their hour of need.

OUR PURPOSE

To be here for every member of the RAF Family in need – listening, understanding and providing life-changing practical, emotional and financial support.

OUR VALUES



Empathetic

We listen and seek to understand, standing side-by-side with the RAF Family.



People-focused

We put people at the heart of everything we do.



Responsive

We do what we say we will do, and use evidence and insight to adapt to changing needs.



Inclusive

We work hard to ensure everyone feels valued and supported, and make ourselves accessible.



Innovative

We are forward-leaning and encourage new ideas and approaches to remain relevant.

OUR KEY WELFARE GOALS FOR THE RAF FAMILY



Improved access to personalised support



Improved quality of living



Increased independence



Enhanced wellbeing

PUBLIC BENEFIT

When reviewing the Fund's aims and objectives, and in planning future activities and policies, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging.

All of our services are either free or heavily subsidised. Where we ask for contributions, for example towards the costs of living in one of our Housing Trust properties or respite breaks, we always take beneficiaries' means into account. No member of the RAF Family should be prevented from accessing our services because they can't afford the full cost.

By giving grants to other charities, we also enable them to maximise their public benefit in support of the RAF Family.

PROGRESS AGAINST OUR STRATEGIC PRIORITIES

We continued to make great progress with our strategy. The strategy responds to the immense challenges and changes the RAF Family has faced in recent years to ensure we can support veterans, serving personnel, and their families, including our bereaved community, for years to come. Our strategy identifies the key needs of the RAF Family and opportunities to meet them so we can continue to provide life-changing support.

Our strategy has five areas of priority and has identified four welfare goals; we are pleased to continue to make significant progress in each of them. However our ambition runs deep, and we look forward to achieving even more in the years to come.

Priority 1: Providing more hands-on, tailored support to the RAF Family to help them through the journey to support

This year we supported more than 42,200 members of the RAF Family, from the age of three months to 103 years old, to improve their quality of living, increase their independence and enhance their wellbeing.

We regularly receive high rates of satisfaction which links to our ongoing work to increase access to personalised, tailor-made support for veterans, serving personnel and their families, no matter how complex the need or where in the world they are based.

Our triage and caseworking teams continue to make the journey from initial contact to receiving comprehensive support smoother and easier for our beneficiaries. Our data

shows that this approach continues to ensure individuals are satisfied with the way they are supported throughout the process – read more about our achievements on pages 12–13.

Our external case working team, located across the UK, comprises seven Welfare Support Executives (WSEs). Together, they conducted over 500 holistic assessments and support plans for individuals across a broad range of cases. In 2023, their work helped members of the RAF Family access support more quickly.

We have continued evolving and enhancing our safeguarding approach. This has been driven by continuous improvement that has delivered enhanced reporting and recording of incidents, introduced more targeted staff and volunteer training, expanded staff supervision, and provided staff and volunteer access to a telephone advice group, when their line manager is not available. We continue to work closely with our partners and external service providers to ensure that their safeguarding processes are appropriate and that they strengthen the Fund's overall approach. All this is essential for a safe, focused, and supportive beneficiary journey.

Priority 2: Strengthening our community engagement to be present in more communities and engage locally more effectively, including expanding our volunteering programme and building a regional support capability

We know that our presence in communities helps us encourage more RAF Family members to approach us for support.

Working in these communities has enabled us to closely monitor the needs of serving personnel, veterans and their families so we can tailor our services to ensure they have the most impact on people's lives.

Our Community Engagement Workers (CEWs) help us to deliver this strategic priority. They help RAF Family members to reconnect through meaningful and regular social activities, reducing loneliness and social isolation. In addition to delivering the programme of regular activities, our CEW team expanded significantly in 2023 with the augmented Cambridgeshire Dementia Reminiscence Group and two new groups in Kent and West Sussex, funded by the Armed Forces Covenant Fund Trust (AFCFT). The Reminiscence Groups allow members of the RAF Family with dementia to share life experiences, memories and stories from the past, giving them an opportunity to stimulate their cognitive abilities through the shared reminiscence of service life. The groups aim to reduce social isolation and the associated risk factors such as physical frailty in vulnerable members of the RAF Family, and to increase overall wellbeing.

Our Group Friendship breaks connect us with RAF Family members in the community; four of these were delivered in 2023 by our CEWs. The breaks alleviate the daily stressors of life for RAF veterans and enhance their overall wellbeing whilst providing the chance to get away, meet new, like-minded people from RAF backgrounds and relax and improve their mental as well as physical health. Of those surveyed, 97% said the break positively impacted their life. Individuals who met on these breaks have formed friendships and meet up independently. Our flagship breakfast club at the International Bomber Command Centre (IBCC) in Lincoln, grew significantly in 2023 and now has over 40 regular members.

We laid the foundations to expand our integral volunteering programme and increased the opportunities for our community to get directly involved with

the work of the Fund. With new systems in place, we have been able to increase our engagement with our current volunteers and develop a variety of opportunities in fundraising and our welfare services. In September 2023, we launched new volunteer roles supporting community engagement groups and in December opened the doors and began recruiting new volunteers. We deeply appreciate the support of our volunteers and look forward to increasing the impact for the RAF Family as the programme expands.

Priority 3: Increasing fundraising income by investing in building our donor database through direct marketing, as well as building long-term, committed relationships with a portfolio of higher-value corporate partnerships and philanthropists

Our aim remains to grow our fundraised income to £19.4M by 2026, to ensure we can continue to support the RAF Family when they need it most and make the Fund sustainable for the future.

Staffing challenges in early 2023 impacted our ability to carry out some planned activities. Additionally, the backlog in probate cases also impacted our legacy income. However, we ended the year with 2,000 more regular givers than we began the year with. We were also selected as one of The Telegraph's charities for their Christmas appeal which generated over £100K in total. Despite the cost-of-living crisis, we were delighted that our supporters helped us to raise £14.1M from donations, legacies and fundraising activities to improve the lives of the RAF Family. You can read more about our fundraising in 2023 from page 21.

Priority 4: Placing a greater emphasis on insight, impact and innovation so we can make effective, evidence-based decisions at the right time and be proactive about adapting our strategy

All our decisions on how we best support the RAF Family now and in the future are evidence and data led to ensure that we are doing our best to meet their needs and using our funds raised to deliver the best impact. During 2023, we made further progress in achieving this. For example, we used insights and data to improve many of our services through our regular feedback surveys, which are distributed after an individual has received support.

We embarked on a research project to explore the barriers that people within the RAF Family experience in coming forward for support. Researchers conducted interviews with RAF serving personnel, their partners, and veterans, identifying several key themes. This research will be used to inform how we can continue to improve accessibility to our support.

A substantial part of 2023 was dedicated to innovation. Teams from across the Fund came together to review our operating model and to identify how we can enhance and improve our processes. For example, we identified the need to further improve our beneficiary journey process including the development of a single point of contact. We identified the need for a comprehensive process that could triage, sign-post and provide an onward referral service for all phone, e-mail and social media enquiries. We also identified the opportunity for enhanced engagement and communication with the serving RAF, to enhance the Fund’s presence and influence on units. Thirdly, we identified the need to review the form and function of our welfare delivery. We will be taking some of these opportunities forward in 2024.

Priority 5: Developing greater collaboration and partnership so we reduce duplication and achieve our aim of being sustainable for the future

We continued to work hard throughout the year to partner and collaborate with other organisations, where this benefits the RAF Family and makes us more efficient and effective.

As part of our commitment to Iraq and Afghanistan veterans through Op RAF Unite, we have continued to work closely with our project partner, the Royal Air Forces Association, and launched a series of pilot events. These events provided comradeship and wellbeing support for veterans. With the agreement of the Armed Forces Covenant Fund Trust, we will continue to support this group through existing services whilst maintaining the opportunity to provide bespoke events where there is a need.

We endeavoured to make sure other organisations were fully informed about what the Fund offers and able to refer RAF Family members to us. This included briefing the new SSAFA branch structure; being a key part of the caseworker training programme; and briefing the RAF HR course on the support the Fund can provide to them and their people as well as briefing all new RAF recruits. We remained a key member of the Confederation of Service Charities (Cobseo) and played an active role in many of the cluster groups, including the Executive Committee. We attended local events and gave presentations to veterans’ associations which also helped spread the word about how we can help the RAF Family.

Sharing knowledge and insights with other service charities helps us all use our resources more effectively and provides better support for everyone in the Armed Forces community. We also continued to support Lightning, the online application portal, and worked with an increasing

number of charity partners. As a result, we are leading the way to enhance provision to the RAF Family, it allows people applying for our support to manage their own application, so they can get help more quickly and easily.

Our Benefits Advice Team played a leading role in the Armed Forces Welfare Rights Group, which involves working closely with a group of charities to discuss benefits directly related to the Armed Forces serving and veteran personnel and to ensure that veterans’ needs are better understood and represented. The team also has a close relationship with the Department of Work and Pensions (DWP). Our Benefits Advice Team advised on many veterans’ issues and their influence is such that the team authored DWP guidance on service pensions and universal credit.

FUTURE DIRECTION

Our strategy is progressing well and we remain committed to focusing on our five priorities now and for the foreseeable future. We are prepared to adjust our priorities as neccessary, depending on the external environment, demonstrating our responsiveness to evolving needs within the RAF Family. We will continue to evaluate the impact of our services including feedback from our Lived Experience Network and, importantly, our upcoming research into the needs of the RAF Family. By maintaining this adaptive approach, we aim to provide impactful support to those most in need.

OUR SUPPORT IN NUMBERS

42,259 members of the RAF Family were supported

£19.1M* total spend around the world†

27,862 serving personnel were supported by spending **£6M**

14,397 veterans were supported by spending **£13.1M**

5,634 people were given financial assistance to help them through tough times

4,859 people were supported by us giving them information or answering their enquiry

1,868 people were given advice on benefits

172 people were supported through our Advocacy service

275 people were supported by a Community Engagement Worker

362 people of the RAF Family were residents of our Housing Trust

1,728 people were provided with an Electric Personal Vehicle (EPV) or a wheelchair

3,429 people were reached through grants we gave to other organisations

12,127 people were reached through grants we gave to RAF Stations and Units

2,947 children and young people were registered with our youth support programme, Airplay

2,206 people were supported through with their wellbeing through our Listening and Counselling Service

1,261 people were supported with relationship services

309 people were supported through a Telephone Friendship Group

7,497 people were supported through the provision of the mindfulness app Headspace

41 people were supported through our Thrive programme for partners of serving personnel

186 people were given legal advice

467 people were supported through a break for serving families

164 people were supported through a welfare break at our holiday home, The Folly

76 people were supported through a Group Friendship Break

254 people were supported through the Disabled Holiday Trust

19 people were supported through the Dependants Fund

214 people were supported through the Dependants Income Trust

12% increase in people supported by independent living grants

28% increase in grant volumes to support serving personnel and their families

*includes the £3.5m cost of properties purchased to support beneficiaries with specific needs

† This figure does not include those that have received more than one area of support from the Fund. When the multiple requests have been included, the figure is 44,500+

PROGRESS AGAINST OUR WELFARE GOALS

The priorities detailed on pages 8–11 guide the work that we do and allow us to deliver our four welfare goals which underpin all of our service delivery.

GOAL 1 OFFERING BETTER ACCESS TO PERSONALISED SUPPORT

A key element of our strategy is that every member of the RAF Family in need can receive personalised support from us quickly and efficiently. Our triage team provided the first point of contact and they ensured that 7,650 direct welfare enquiries were provided with bespoke and focused support to ensure a smooth journey for anyone who gets in touch with the Fund.

We continued to see the impact of the team's work, with 81% of those surveyed reporting that their initial contact with the Fund was 'Very easy' or 'Easy'. 73% also reported being 'Very satisfied' or 'Satisfied' with their initial contact with the Fund. We have improved the numbers moving from enquiry into support from 33% to 77%. Of those that went on to receive support, 82% were converted within three months; the work of our triage team was key to this improvement.

Our caseworkers, located across the UK, supported beneficiaries with multiple and more complex problems. These ranged from serious debts to homelessness and mental health issues. Our caseworkers handled 44% of all caseworking enquiries, nearly double the quantity in 2022. By using our own caseworkers, we have shortened the average time for people waiting for support, turning enquiries into applications. In 2023, 98% (2022: 88%) of people surveyed who received support from one of our caseworkers said they were either 'Very satisfied' or 'Satisfied'.

Our work to increase access to personalised support has meant we are meeting more of the RAF Family's needs faster and increasing their satisfaction. In 2023, 97% (2022: 88%) of the people surveyed were either 'Very satisfied' or 'Satisfied' with the service they received, and 93% of beneficiaries felt that the help they had received from the Fund had improved their quality of life.



In 2023,
97%
of the people surveyed were either 'Very satisfied' or 'Satisfied' with the service they received and
93%
of beneficiaries felt that the help they had received from the Fund had improved their quality of life

Over
£0.7M
total spend

GOAL 2 IMPROVING THE RAF FAMILY'S QUALITY OF LIVING

Throughout the year, we continued to see the significant impact of the cost-of-living crisis and high fuel bills affecting the RAF Family. For veterans, serving personnel, and their families, we were there with grants and advice to pay for the essentials in life.

Demand for our financial support meant that it continued to be a significant part of our offering, and the Fund assisted over 6,500 beneficiaries with improving their quality of life. Our Home Fuel Grants (HFGs), introduced in 2022, continued to be required and we were ready to respond by providing over 500 HFGs. Across 2023, grants totalling £5.7M were awarded to veterans, serving members of the RAF and their families to support them through this challenging time.

With higher numbers of working age beneficiaries needing our help than in previous years, it showed that no one was immune to the cost-of-living crisis. Our data showed that there was a 9% increase in grants to working-age members of the RAF Family compared to 2022. Of those who received financial assistance, 96% said it improved their quality of life and 83% indicated that the support they received from the Fund had fully met their needs or that they had been significantly helped by the assistance they received.

For many, the cost-of-living crisis reduced their ability to pay for essential house repairs, including new boilers. Our survey showed that 94% of those who received a housing-related grant reported that it had improved their day-to-day living. We spent £290K on care-home top up fees for those who wanted to live in a place which was suitable for their specific needs and health issues, as well as providing a good quality of life.

As with previous years, many people looked to the welfare benefits system for support. Our Benefits Advice Service was on hand to help more people navigate this sometimes-complex area and provide personalised advice that allowed beneficiaries to maximise their statutory income. Our team identified £2.2M in unclaimed benefits for the people who came to us. 91% of people surveyed reported that the advice given had been 'Very easy' or 'Easy' to understand and an impressive 85% were able to make benefits claims thanks to the advice they received.

Our free legal advice helpline continued to provide guidance and support on issues ranging from employment to family law. In 2023, 186 beneficiaries received support and of those who provided feedback after receiving legal advice, 92% reported acting or partly acting on the advice and 72% reported that their state of mind had improved.



The Fund increased the number of beneficiaries seeing their quality of living improve by
6%
spending over
£5.7M
and a further
£2.2M
identified in benefits advice

GOAL 3 INCREASING INDEPENDENCE

We don't believe anyone who has served their country should have to struggle due to disability, injury, advancing years or leaving the service. We enable RAF Family members to cope with these challenges and to have lives that are as full, independent and as happy as possible

The Fund assisted over 3,365 members of the RAF Family to increase their independence, an increase of 2% on 2022. For those who had received mobility/care equipment and responded to the feedback survey, 85% reported that the help they received from the Fund contributed to their comfort and 88% reported that they used the equipment either every day or most days. Of those who indicated a need with mobility outside the home, 90% indicated that the need had been fully met or they had been helped a lot by the assistance they received.

We specialise in providing advocacy in several areas, including care services issues. The Fund acted on behalf and argued in favour of RAF Family members facing problems including getting a care assessment, funding for care and more. Advocacy cases resulted in identified savings of £737K to beneficiaries, an increase of £48K on the year before. For those who accessed the Advocacy Service, and responded to the survey, 90% reported being 'Very satisfied' or 'Satisfied' with their overall satisfaction with the service and 93% reported that their quality of life had improved 'a lot' or 'quite a bit'.

Since 1974 our Housing Trust has provided suitable and adapted housing for veterans and serving personnel who have experienced life changing injuries and need to leave the service early. In 2023, we adopted a new benchmark for affordable rental income, which, in comparison to private rental sector costs, provides a total annual benefit of £933.5K to 362 RAF Family members living in 200 Housing Trust properties.



The Fund increased the independence of
3,365 members of the RAF Family, with a
12% increase in independent living grants to a value of
£7.6M

GOAL 4 ENHANCING WELLBEING

During these challenging times, supporting the RAF Family's wellbeing has never been more important. Throughout 2023, we helped over 14,700 veterans, serving personnel, and their families – 900 more than in 2022. Our efforts ranged from helping people with mental health challenges through our Listening and Counselling Service, relationship support, our Telephone Friendship Groups and the Airplay programme for children and young people of serving families. These initiatives have significantly enhanced mental wellbeing, resilience, friendships, connections, and relationships.

IMPROVING MENTAL HEALTH AND RESILIENCE

Over the past year our Listening and Counselling Service supported over 2,200 individuals, helping them address their problems effectively. Among those surveyed, 94% felt the counselling positively affected their lives, and 80% demonstrated significant improvements in their mental health.

Additionally, we helped more than 1,200 people access relationship support and mediation through Relate, marking a 5% increase from 2022. Of these, 75% reported that their situation had improved, and 68% noted improvements in their mental wellbeing.

For the serving community, we continued to offer free membership of Headspace, an award-winning meditation and mindfulness app. Headspace provides practical tips and exercises to relieve stress and to help stop more serious mental health problems from developing. Nearly 7,500 RAF Family members enjoyed Headspace throughout the year, an increase of over 350 on 2022. The results were overwhelmingly positive; 98% reported they were 'Very satisfied' or 'Satisfied' and 95% reported improved mental wellbeing after using the app.

Last year our Airplay programme, delivered at no cost to the Ministry of Defence, continued to provide safe, stimulating, and exciting youth development activities for children and young people. The number of young people registered on the programme in 2023 rose 15% compared to 2022 to over 2,900 across 24 RAF stations.

Working with our delivery partners One YMCA, members enjoyed 7,500 hours of fun activities and Airplay was shortlisted for two National Awards. Our surveys showed 82% of members 'Strongly agree' or 'Agree' that Airplay makes them feel more confident, 83% 'Strongly agree' or 'Agree' that Airplay helped them to make new friends and 71% 'Strongly agree' or 'Agree' that Airplay has helped them to settle when moving to a new Station.



The Fund experienced its 5th year of continuous growth in this area, helping
14,776 beneficiaries.

Telephone Friendship Group impact has been high with
81% of those engaging with the service reporting that their sense of happiness had improved, and
54% of those engaging with the service reporting feeling less lonely.

Our Ben Play and Ben Parenting programme remains very popular, supporting 3,750 parents and very young children across 14 RAF Stations. The programme provides Stations with the means to run activities such as parent/baby yoga, post-natal exercise classes, fun interactive music classes, first-aid training, and enjoyable and stimulating play sessions that deliver a very positive effect on the wellbeing of parents and children. Feedback is universally positive with many RAF Stations reporting on how Ben Play and Ben Parenting is directly addressing the social isolation felt by many young families.

We also continued our Thrive workshops for partners of serving RAF personnel to improve their wellbeing, resilience, employability and, ultimately, quality of life. We delivered one Thrive workshop, over four 90-minute sessions on consecutive weeks and four 90-minute interactive webinars. Despite the reduction in overall provision, we supported 40 individuals compared to 50 in 2022.

BUILDING CONNECTIONS

Following the expansion of our CEW service, we assisted over 300 people through regular activities and the three RAF Dementia Reminiscence Groups. The seven regular activities secured 1,162 attendances and delivered four Group Friendship Breaks for 76 beneficiaries. For those who were surveyed, 89% felt that the break had improved the quality of their personal/family relationships and 90% reported an improvement to their emotional wellbeing.

Of those who entered the CEW service, 76% are now engaged in a regular meaningful social activity which is an increase from 60% at the end of 2022. Of those who responded to the survey, 91% reported overall satisfaction with the service and 84% reported an improvement to their quality of life. Last year was the first full year of the UCLA Loneliness Scale as an impact measurement. It is a rating scale that measures the subjective experience of loneliness. The impact of CEWs is evident, with 54% of those who have contact with a CEW (and where we are able to match before

and after scores) showing a decrease in a recognised loneliness measure, this means that those 54% have reported feeling less lonely since the CEW intervention.

Our Telephone Friendship Groups (TFGs), which are calls that connect up to six people at the same time each week for up to an hour with the aim of reducing social isolation and loneliness, supported 309 people. For TFG members, 85% reported an improvement in their quality of life and 81% reported that their overall sense of happiness had improved, indicating strong impact being achieved.

PROVIDING BREAKS

When things get tough it is often difficult for people to spend quality time with their families. We saw a 160% increase in the number of people on wellbeing breaks, in part thanks to the Fund's holiday cottage, The Folly in Bridlington, which saw 164 beneficiaries enjoy time away with family. For those we supported from the serving community, 98% told us that the break had improved the quality of their personal/family relationships and 98% felt a significant improvement in their personal and family relationships. Additionally, 95% reported a notable enhancement in their emotional wellbeing.

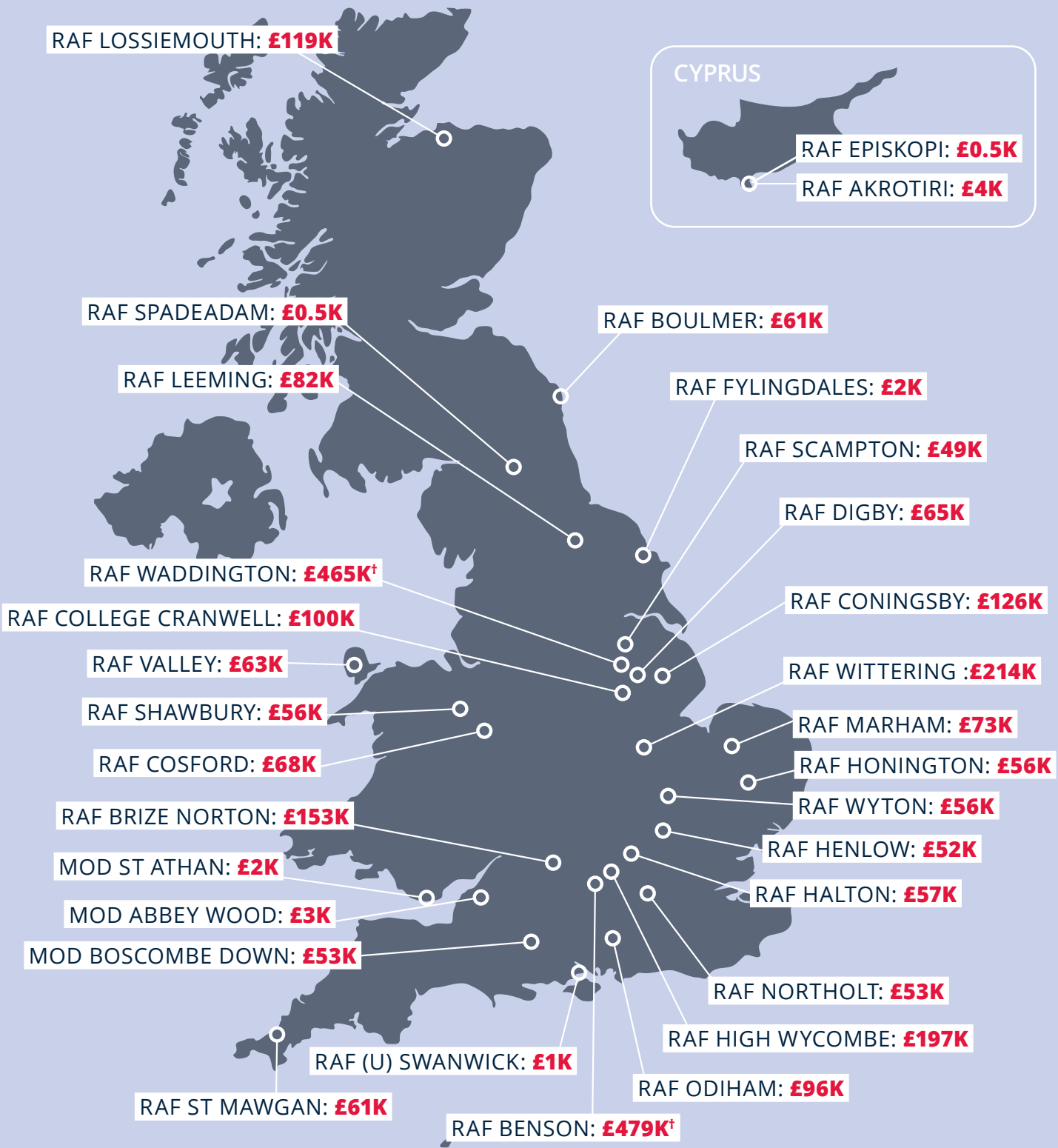
Our Disabled Holiday Trust (DHT) continues to offer accessible holiday accommodation for people with physical disabilities. Of those who went on a DHT break in 2023, 98% reported satisfaction with their break and 98% said the break had made an improvement to their quality of life.

SUPPORTING CHILDREN, YOUNG PEOPLE AND FAMILIES

Over the last two decades, the Fund has invested over £40 million in supporting children and young people across the RAF. The Fund's capital investment in building and refurbishing 23 childcare centres and 40 play parks and multi-use games areas, as well as providing 7,000 hours of youth work every year through our Airplay programme, continues to deliver enduring and significant benefits across the RAF.

SUPPORT FOR THE SERVING COMMUNITY

In 2023 we supported over **12,000** serving personnel and their families by awarding grants to the value of **£4.7M***. This involved awarding grants and wellbeing support to individuals to help them through tough times, provision for Airplay and grants to stations for a wide range of projects such as building refurbishments and wellness activities.



* Does not include enabling costs.

† Includes a property purchase.

WORKING IN PARTNERSHIP

EXTERNAL GRANTS

Every year we give grants to charities and other organisations that provide direct and targeted assistance to the RAF Family, to help with the cost of delivering services and activities. This includes grants to support with employment, homelessness and substance misuse to help fill in the gaps statutory services are unable to fulfil.

Partnering with other remarkable charities allows us to extend extraordinary support to the RAF Family, broadening our reach to every corner of the UK and beyond.

We partnered with organisations making a difference to our RAF Family spending a total of £393K. Below is a selection of some of the grants we awarded:

Combat Stress £81K	Defence Medical Welfare Service (DMWS) £10K
Forces Employment Charity £55K	Scotty's Little Soldiers £10K
RAF Widows' Association £36K	University Hospitals Birmingham Charity – Fisher House £10K
SSAFA £21K	We Are With You £10K
Care for Veterans £20K	Team Endeavour Racing UK CIC £5K
The Poppy Factory £16K	Veterans Outdoors £4K
RAF Families Federation £15K	

CASEWORKING PARTNERS

An important part of supporting our beneficiaries is assessing the needs of an individual and then deciding on the best ways to support them. We work collaboratively with many and varied organisations, both nationally and internationally, who have referred a case to us and help us to distribute financial grants to our beneficiaries on our behalf. We are grateful for their help and support in reaching our beneficiaries, enabling us to provide comprehensive support to the RAF Family.

SCOTTY'S LITTLE SOLDIERS



In 2023, we supported Scotty's Little Soldiers, a charity supporting children who have experienced a parent dying while serving in the Armed Forces, with a grant of £10K.

Lexi, now 15, carries the legacy of her father, Sgt Ollie Pallett, who bravely served in the RAF for 22 years, including tours in Iraq and Afghanistan. Tragically, Sgt Pallett passed away by suicide in 2020, when Lexi was just 11 years old. In the wake of this loss, Lexi found solace and support through Scotty's Little Soldiers, an organisation dedicated to assisting children who have lost a parent serving in the British Armed Forces.

"We are hugely grateful for funding from the RAF Benevolent Fund," said Andy Sloan, Head of fundraising at Scotty's Little Soldiers. "Scotty's supported 83 children and young people in 2023 who had a parent who had served in the RAF – and two young people who had a parent who served in the RAF Reserves – you've helped us make a HUGE difference and impact."

FUNDRAISING

In 2023 we raised £14.1M to be there for RAF Family members needing vital support, filling gaps to ensure people are fully supported. This was £2.6M less than in 2022 due to a drop in legacy income.

As we look back over the past year, we are grateful to those whose generosity enabled us to provide essential assistance to more than 42,200 veterans, active duty personnel, and their families in 2023.

Our fundraising efforts encountered challenges due to the ongoing cost-of-living crisis and turbulent times. We anticipate that the impact from the crisis will continue in 2024, leading to an increased demand for our services and a need to fundraise even more.

We sincerely thank each individual and organisation that has contributed to our cause this year; your support is crucial to our continued success in helping people in their hour of need.

LEGACIES

In 2023, we were very grateful to receive £9.1M in legacies. This represents our largest form of income for the Fund. We had 4,153 (2022: 1,011) people expressing an interest in leaving a gift in their will or letting us know they have done so.

PARTNERS, GRANTS AND HIGH-VALUE GIFTS

We raised £1.3M from partners, grants and high value gifts, and we were proud to have continued support from a number of long-term corporate supporters such as Exolum, BAE Systems, MBDA and Midshires Powerchairs. We are also grateful to have received grants from trusts and foundations, such as The Ada Hillard Charitable Trust, the MacRobert Trust and the Wimbledon Foundation.

SUPPORT FROM SERVING RAF PERSONNEL

We are grateful to see serving personnel continue to look after their own, recognising the support that the Fund can offer when it is needed most. Through the Service Day's Pay Giving scheme, serving personnel contributed an amazing £1.6M in 2023.

INDIVIDUALS

We are grateful to have been supported by thousands of people who donated to the Fund throughout the year. Whether it was through responding to our appeals, making an online donation, playing our weekly lottery, purchasing our merchandise either online or at an airshow or being one of our 7,000 committed regular givers – thank you. Collectively, you raised £2.1M in 2023.

THE TELEGRAPH CHRISTMAS APPEAL

We were delighted to be selected as one of the Telegraph's charities for their 2023 Christmas appeal raising over £100K for the Fund which will enable the organisation to fulfil programmes and our work to ensure that we reach as many members of the RAF Family.

COMMUNITY FUNDRAISING

2023 was a fantastic year for community fundraising across the country. We were able to raise £555K, a 33% increase on 2022.

Throughout the year, we saw supporters raise funds for the Fund by walking, running, and even cycling from Vietnam to Cambodia!

The team has grown as we continue to connect with individuals, groups and communities across the country.

SPECIAL THANKS TO OUR DAMBUSTERS RIDERS

We would like to thank everyone who took part in The Dambusters Ride in Lincolnshire in May 2023. This dedicated group of cyclists raised an incredible £72K.

WORKING WITH FUNDRAISING SUPPORT AGENCIES

We are particularly conscious of the need to take care when interacting with individuals who are, or may be, vulnerable and we require all staff and agencies we work with to follow our Potentially Vulnerable Donors policy. We also ensure that the fundraising agencies we partner with have policies and procedures consistent with the requirements of our own.

We work with selected agency staff who work on our behalf and receive initial and regular ongoing training which ensures they are given detailed information about the work of the Charity, understand the regulations governing professional fundraising, and are equipped with the skills necessary to fundraise responsibly and respectfully.

FUNDRAISING COMPLIANCE AND SUPPORTER PROMISE

When fundraising we comply with all relevant laws and regulations including the Charities Act 2011 and 2022, the Charities (Protection and Social Investment) Act 2016, the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations 2003. Our Board of Trustees closely monitors our fundraising activity and performance alongside the fundraising management team.

We also comply with the regulatory standards for fundraising, including guidance published by the Charity Commission. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise, compliance with the Fundraising Preference Service and adherence to the Code of Fundraising Practice. In 2023 we

paid the Fundraising Regulators Fundraising Levy, a voluntary payment to help fund the organisation to regulate the charity sector's fundraising activities.

We are fully committed to the principles we lay out in our fundraising promise:

We believe in being transparent in how we raise money and spend donations, and the impact this makes on the RAF Family. We take this responsibility very seriously. In all that we do, we aim to meet the highest standards, so that supporters and volunteers are able to give to and fundraise for us with confidence and trust that their hard work will make a difference.

We are open, honest and transparent

We promise to be open, honest and transparent in relation to our fundraising and, as importantly, in how accurately we represent members of the RAF Family in the materials we produce. We engage them in planning and ensure we have sign-off before the materials are made available to supporters or the public.

We are respectful

In our fundraising materials, or in conversation, we show respect and we promise never to pressurise anyone to make a donation. We are particularly sensitive when engaging with vulnerable people, including those who are elderly. Importantly, we do not and never have shared our supporters' details with any other charity or business. Following the introduction of the General Data Protection Regulation in 2018, we only communicate with supporters who have given us express permission to maintain contact with them. We keep supporters up to date with our work in a way and at times that suit them. If any supporter prefers a reduced level of contact, they only have to let us know and we will respond to their wishes.

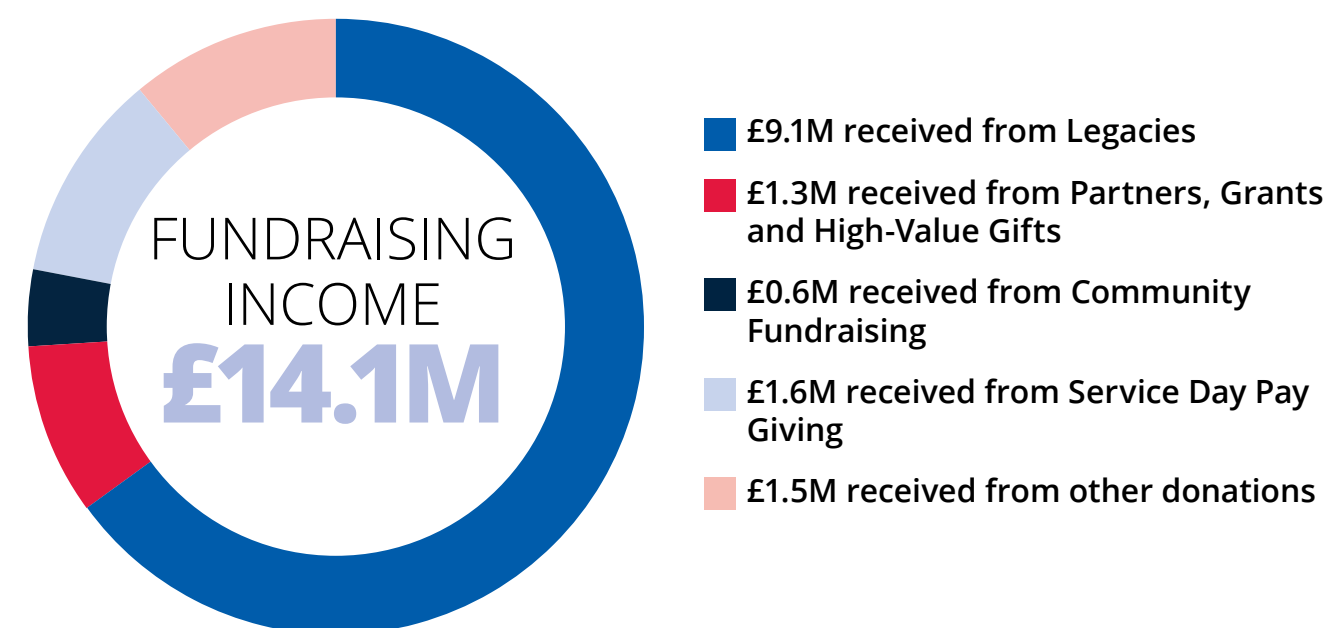
We are accessible

We want to make it easy for anyone to get in touch with our fundraising team. Whether they want to update their contact preferences or ask a question about our work or how we spend their donation, we

welcome their phone call, email or letter. We have a complaints procedure should a supporter be unhappy or have concerns about any of our fundraising activities. This is available on our website or by contacting the fundraising team at hello@rafbf.org.uk. We will help supporters to take their complaint to the Fundraising Regulator if they feel we haven't responded suitably.

We received 17 complaints about our fundraising activity in 2023, six of which related to our telephone fundraising campaigns. In total our telephone fundraising partner spoke to approximately 27,000 individuals on the phone last year. Each individual complaint we receive is taken seriously and investigated, with remedial action taken where required.

There were no instances we referred to the Fundraising Regulator in 2023.



GRANT MAKING

As part of our vital work supporting the RAF Family, we provide financial support and grants to eligible people in times of difficulty. Our grant making is means tested to ensure that those most in need benefit from our support. We also provide non-financial services which any member of the RAF Family can access. Our welfare strategy is guided by research, underpinned by impact frameworks, and we measure its results through evaluation and outcomes.

Where we can, our grants support the RAF Family with unexpected and unaffordable one-off costs, priority bills and debts, and regular and temporary financial assistance. We also provide grants for domestic assistance to help RAF Family members live independently at home, and grants to help people who are isolated take part in social activities and to make the connections they need. We provide mobility and disability equipment and help with care top-up fees too. We always try to help people in need as much as we can. For some, this will involve a small grant, support or advice. For others, our support is much greater. Above all, we try to be caring, supportive and compassionate in all we do.

RAF Family members can apply for individual grants throughout the year and our own network of Welfare Support Executives is available to help with more complex applications.

Serving members of the RAF can apply through their station Personal Support teams, who have some delegated powers to give out smaller financial grants for immediate needs. While we will always consider the station staff's recommendations as part of our holistic approach to welfare, we are not limited by them and quite often are ready to provide additional support where there is a need.

To make our grants more accessible, and extend the reach of our support, we have an online portal to assist with applications for sums up to £750. We can involve caseworkers if an RAF Family member needs more support, or we can see that there is a bigger problem that needs addressing and we can help with.

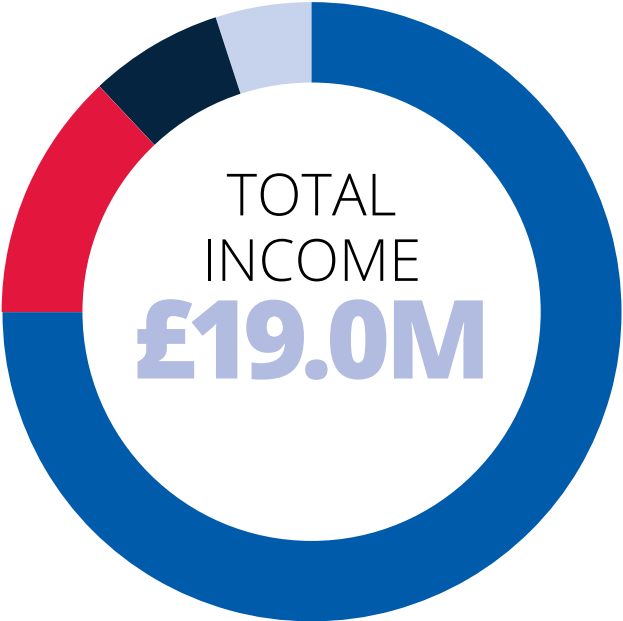
THANK YOU TO OUR DONORS AND SUPPORTERS

We are immensely grateful to our donors and supporters, a few of whom are listed below. Your generosity has made a significant impact and we cannot thank you enough.

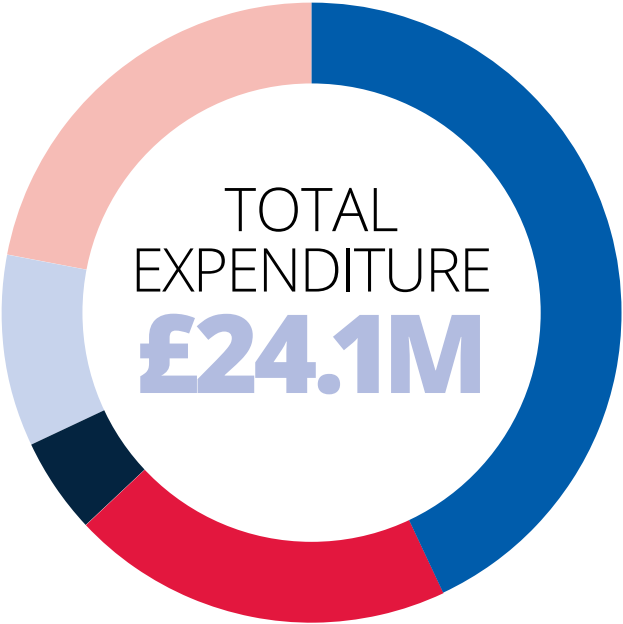
2Excel Aviation	MBDA UK
Ada Hillard Charitable Trust	Medlock Charitable Trust
Adrian Swire Charitable Trust	Midshires Mobility Group
Armed Forces Covenant Fund Trust	Mr and Mrs Colin Blowers
BAE Systems	Mr and Mrs John Kyle
Bryan Smith and Team – The Spitfire Experience	National Lottery Community Fund, Young Start programme
Charles Burrell 2016 Charitable Settlement	Pascal Fournier
Corps of Commissionaires Management Limited	RAFA Formby
Coysh Family Charitable Trust	Ray Daniels
Donagh McCullagh	Red Arrows Trust
Drapers' Company	Rowland Betty Memorial Trust
Grayson Ditchfield	Royal Edinburgh Military Tattoo
Group Captain Lionel Rees VC OBE MC AFC	Scottish Government Armed Forces Third Sector Resilience Fund
Exolum International Group	Thales Charitable Trust
Identity Group	The April Fools' Club
James Weir Foundation	The Beaujolais Run®
J H Bartlett Charity Trust	The Inter-Livery Target Rifle Shoot
John Isabel	Wimbledon Foundation
Lockheed Martin UK	
MacRobert Trust	

We would like to thank our 231 legators who left gifts in their Wills in 2023.

FINANCIAL HIGHLIGHTS



- Fundraised income: £14.1M/75%
- Investment income: £2.5M/13%
- Charitable activities: £1.4M/7%
- Other income: £1.0M/5%



- Direct support to individuals: £10.4M/43%
- Welfare programmes and grants: £4.9M/20%
- Respite care: £1.2M/5%
- Housing Support: £2.4M/10%
- Generating income: £5.2M/22%

FINANCIAL REVIEW

The financial outcome for the year ended 31 December 2023 is set out in the “Consolidated Statement of Financial Activities” on page 42.

2023 marked the second year of our strategy; building upon a successful inaugural year that had secured financial outcomes benefitting the RAF Family and setting us on a path toward long-term financial sustainability. However, the external environment and inherent strategic risks continued to pose challenges. These risks included higher-than-expected demand for our services, rising costs, the ongoing cost-of-living crisis despite falling inflation rates, difficulties in achieving our fundraising goals, and uncertainty in the investment markets.

Throughout the past year, we encountered significant income challenges. We raised less money while supporting 10% more members of the RAF Family compared to the previous year. This was primarily due to increased support for working-age and serving beneficiaries impacted by the cost-of-living crisis. Our total income fell to £19.0M, a 21% decrease from the £23.9M reported in 2022. This drop was mainly driven by reductions in legacy income and profits from the sale of Housing Trust properties, both of which had been exceptionally strong in the previous year. As a result, we utilised some of our designated funds at the start of the year to support our charitable activities.

Total expenditure for the year rose to £24.1M, up from £22.5M in 2022, marking a £1.6M or 7% increase. Of this, £5.2M was spent on raising funds, a £0.2M or 4% increase, while expenditure on charitable activities amounted to £18.9M, representing a £1.4M or 8% increase year on year. Our overall net expenditure before accounting for investment market gains was £5.1M, in stark contrast to the £1.4M net income recorded in 2022. Despite these challenges, we saw unrealised gains on our investments totalling £4.7M, a significant recovery from the £8.7M unrealised loss experienced in the previous year.

INCOME OVERVIEW

Breaking down our income, we reported a total of £19.0M compared to £23.9M in 2022, reflecting a £4.9M or 21% decline. Notably, 74% of this income (up from 70% in 2022) came from voluntary sources. Income from donations and legacies, as detailed in note 2 to the financial statements, included contributions from individuals, the serving RAF, corporate partners, and trusts. Additionally, income from charitable activities was primarily derived from rent received from Housing Trust properties.

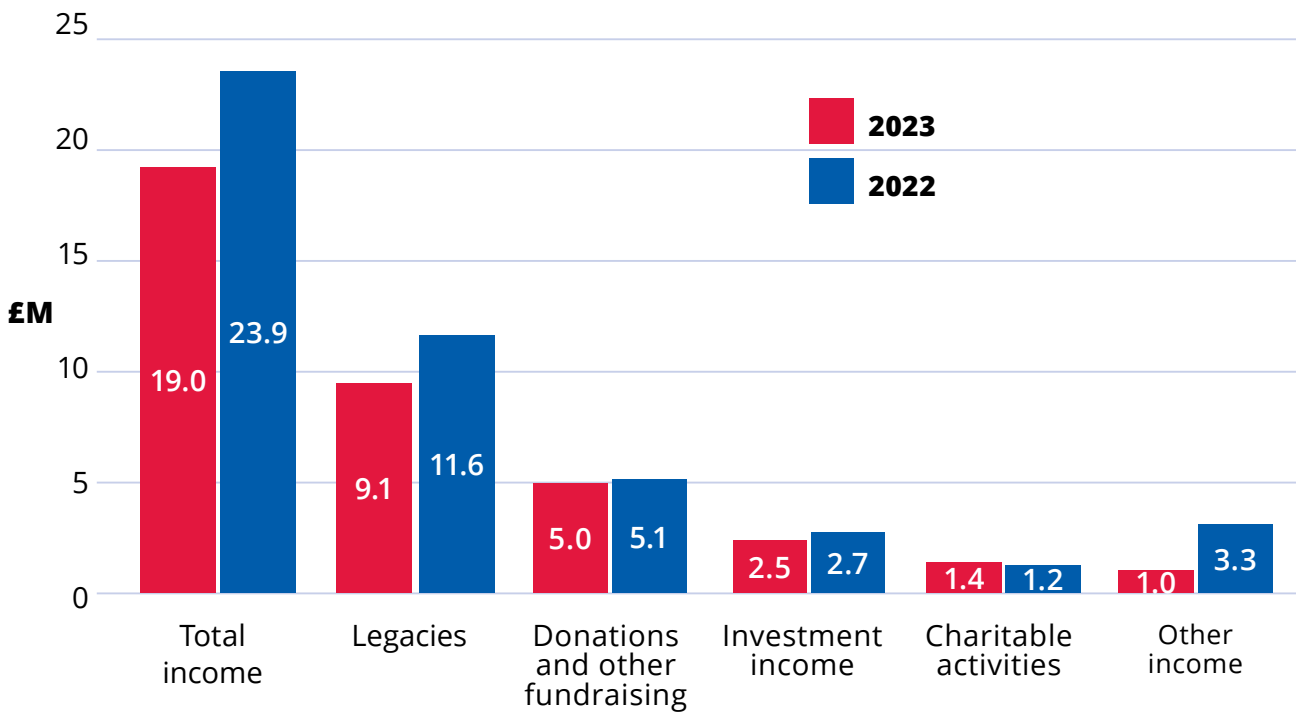
The movements in our main income sources are detailed in the table below:

	2023	2022	Change	
Income from	£M	£M	£M	%
Legacies	9.1	11.6	-2.5	-22%
Serving RAF	1.6	1.6	-	-
Other fundraising	3.4	3.6	-0.2	-6%
Charitable activities	1.4	1.1	0.3	27%
Property disposals	0.8	3.1	-2.3	-74%
Investments	2.5	2.7	-0.2	-7%
Other income	0.2	0.2	-	-
	19.0	23.9	-4.9	

The RAF Benevolent Fund experienced significant decreases in income during 2023, particularly in legacy income and the profit from the sale of Housing Trust properties.

Legacy income fell from £11.6M to £9.1M, a substantial £2.5M (22%) drop. The reduction was attributed to fewer notifications received compared to previous years and delays in the probate system, as reported by the Courts and Tribunal Service (HMCTS), which affected the receipt of bequests by charities.

INCOME £19M



The profit from the sale of Housing Trust properties also saw a decline, with profits amounting to £0.8M, a decrease of £1.4M from the £2.1M earned in 2022. This drop was due to the completion of only five out of 14 property sales in 2023, compared to the 12 sold in 2022, which had been an exceptional year for such activity. The sale and disposal of Housing Trust properties are primarily driven by the welfare needs of those we support, although we always aim to maximise the financial return for the Fund.

Income from donations and fundraising activities was £3.4M (2022: £3.6M), with the slight decrease primarily due to reduced corporate sponsorship and merchandise income. However, income from serving RAF personnel under the Service Day's Pay Scheme remained stable at £1.6M.

This year-on-year change resulted from the income reduction in 2023. Our continued investment in income generation, which is crucial for the Fund's long-term financial sustainability. Importantly, all our

fundraising income, after offsetting the costs of raising it, was spent on our charitable activities during the year.

Income from charitable activities rose to £1.4M (2022: £1.1M), with £1.1M (78%) of this income representing rent from properties occupied by our beneficiaries. The £0.3M or 25% increase was mainly due to higher interest on beneficiary loans in 2023, as the interest rate linked to the base rate increased to 5.25% by August 2023. We utilised 100% (2022: 91%) of the £1.4M generated from our charitable activities to support the RAF Family.

Additionally, the RAF Benevolent Fund earned £2.5M (2022: £2.7M) from our investments. This income was instrumental in furthering our mission of supporting people in their hour of need, demonstrating the importance of a well-managed, diversified portfolio to ensure we could continue providing essential support and services to veterans and their families.

EXPENDITURE

Total expenditure in 2023 was £24.1M (2022: £22.5M) a £1.6M (7.1%) increase on the previous year, and made up as follows:

	2023		2022	
	£M	%	£M	%
Charitable activities	18.9	78%	17.5	78%
Raising funds	5.2	22%	5.0	22%
	24.1	100%	22.5	100%

Of the £24.1M spent, £18.9M (78%) was directed at our charitable activities which are undertaken to provide welfare support and services to the RAF Family. This increased by £1.4M (8%) to £18.9M (2022: £17.5M), including support costs of £3.4M (2022: £3.2M). In addition to the £18.9M expenditure on charitable activities, it cost us an additional £3.5M to purchase and adapt properties for our beneficiaries.

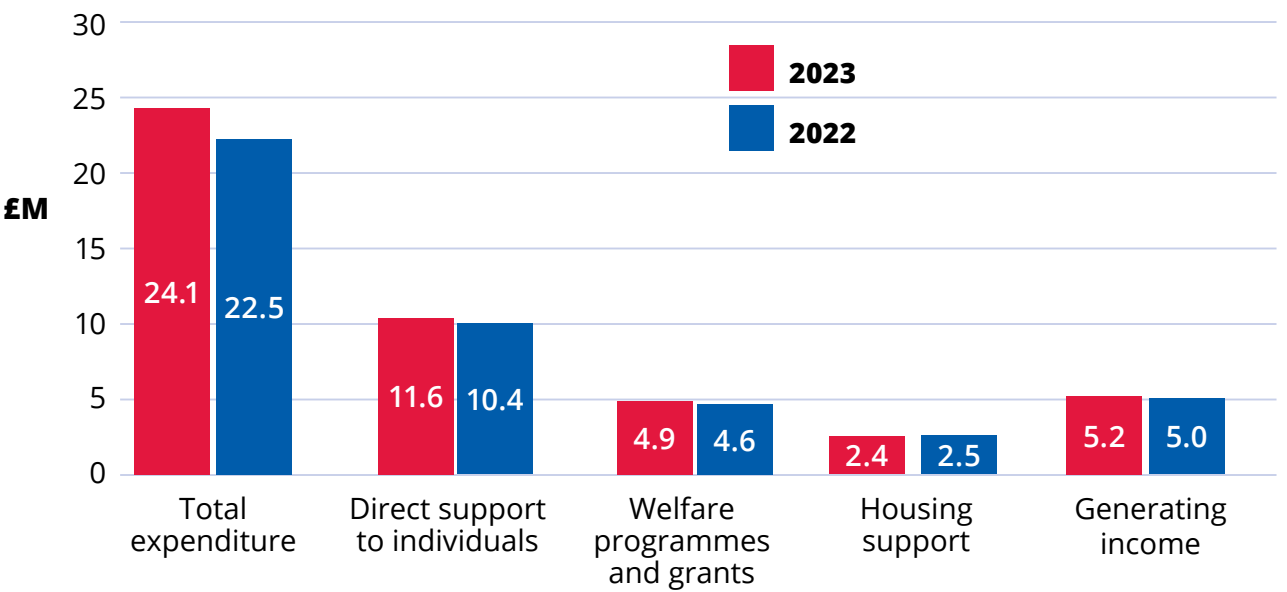
The £18.9M included £11.6M (2022: £10.4M) incurred on supporting individuals directly, £4.9M (2022: £4.6M) and £11.7M (2022: £10.4M) expended on supporting the RAF Family through programmes and grants and the £2.4M (2022: £2.5M) incurred on Housing Trust support.

Our expenditure on supporting individuals directly increased by £1.2M (12%), within this the demand for Respite, Care and Advocacy support had the largest cost increase due to inflationary pressure on mobility equipment and insurance. Increased NHS waiting times and care home costs mean our elderly veteran community wants to stay longer in their own homes. This leads to increases in housing adaptations and equipment to support them, ensuring they receive the best possible care in line with our four welfare goals.

The increase in costs was mitigated by assessing the effectiveness of our grants and ensuring that we deployed resources to maximise impact. We also made savings in welfare programmes and services as referral numbers stabilised, for example in our Listening and Counselling Service, and this allowed us to focus on individual support and offset increased costs in other areas.

Our expenditure on housing support was £2.4M (2022: £2.5M), similar to 2022 but more than planned as the demand persisted from the previous year with housing adaptations and repair grants increasing due to inflationary prices and the increase in the expected number of applications. In addition, the investment made to ensure we had the right teams to support income

EXPENDITURE £24.1M



generation was £5.2M (2022: £5.0M), a £0.2M (4%) increase on the previous year. The amount spent includes £1.4M in support costs (2022: £1.5M). For every £1 we spent directly on fundraising we received £3.71 in the year (2022: £4.73).

The total costs for raising funds and charitable activities include attributable support costs. Support costs in the year came to £4.8M (2022: £4.7M), a £128K (3%) increase on the previous year. These costs, which are crucial to being able to deliver our activities, include IT infrastructure, facilities, finance, human resources, governance, compliance, management and depreciation of fixed assets. They also include £235K of costs paid under our obligation to a legacy staff pension scheme. We attribute the costs directly to the activities that drive them as far as possible, and the general costs are allocated on a head count basis. To ensure we spend as much of our resources as we can directly on the RAF Family, we keep this area of cost tightly controlled.

INVESTMENTS

We invested strategically to preserve the real value of the funds we held and to generate the necessary income to support the RAF Family. This careful management was essential to ensure we could continue providing vital services and support. By adopting a managed and diversified portfolio, we aimed to achieve an appropriate return while maintaining acceptable levels of risk. This approach enabled us to navigate the economic challenges and uncertainties that marked the year.

Our current primary investment objectives, due to be reviewed in 2024, are to:

- hold investments in a manner that will help us deliver our objectives in the short, medium and long term.
- earn a return of CPI plus 5%, ensuring that real capital value is preserved, and sufficient income is generated to contribute to funding our activities.

- measure overall performance against an agreed market-derived benchmark and use an industry-wide peer group benchmark to assess performance against the average.
- employ investment managers who generate low costs and develop relatively stable portfolios which meet the objectives of this strategy in the long term.

In 2023 assets held with three fund managers were valued at £75.5M (2022: £71.1M), with £65.9M (2022: £60.9M) invested in long-term multi asset portfolios and £9.6M (2022: £10.2M) invested in a short-term bond portfolio.

The challenging environment for investors seen in 2022 continued into 2023. By the end of the year, overall returns were positive as the latter part of the year proved favourable for both equities and bonds and with some sectors performing particularly well. We also saw lower than expected inflation and market optimism that central banks may start to reduce interest rates earlier than previously expected and equity holdings underpinned the positive returns achieved in the latter part of the year. The top five sectors in which we held equity exposure at the year-end were information technology, industrials, financials, health care and consumer staples.

Our long-term investments were managed by BlackRock and CCLA. Performance is assessed on income yield and total return over a five year period compared to benchmark and peer group. In light of performance, changes will be made to portfolio management in 2024 to ensure that the best return is achieved in line with Trustee appetite for risk.

Armed Forces Charities Growth and Income Fund

The value of our investment in the Armed Forces Charities Growth and Income Fund, a Charity Authorised Investment Fund (CAIF), managed by BlackRock, was £19.3M on 31 December 2023 (2022: £19.2M).

Total performance net of fees over the year was 4.3% (2022: -10.6%) compared to the benchmark performance of 8.5% (2022: -8.3%). Total return over the five years to 2023 was 6.4%, compared to the benchmark return of 5.9%. The dividend yield in the 12 months to 31 December 2023 was 3.9% (2022: 3.8%).

COIF Charities Investment Fund

The value of our investment in COIF Charities Investment Fund managed by CCLA was £46.6M on 31 December 2023 (2022: £41.7M). The increase in value was mainly due to the £4.0M investment gain over the year, although we did increase our investment by £0.9M at the start of the year. Total performance net of fees over the year was 12.4% (2022: -9.0%) compared to the benchmark performance of 13.3% (2022: -10.1%). The total annualised return over the five years to 2023 was 9.9%, compared to the benchmark return of 7.7%. The dividend yield in the 12 months to 31 December 2023 was 2.8% (2022: 3.0%).

Close Brothers Asset Management

Close Brothers Asset Management manages a bespoke portfolio wholly invested in quality short-dated bonds to match our short to medium term cash requirements. This portfolio is run on an income mandate with a lower risk appetite. Our medium-term objective is to ensure our cash requirements are met without undue exposure to investment risk, while still achieving good returns. The value of this portfolio on 31 December 2023 was £9.6M and the return in the year was 3.2% (2022: 1.2%).

The RAF Benevolent Fund is the sole Trustee of The Royal Air Force Disabled Holiday Trust (DHT), an unincorporated charity. DHT property bonds, held in the name of the RAF Benevolent, were valued at £608K at the year-end (2022: £552K). Additional units were gifted to the Fund, adding £52K in the year. The units held under this policy are used to provide affordable breaks to DHT members.

Unrealised market gains on investments at the year-end were £4.7M (2022: £8.7M loss).

PENSION DEFICIT

Under FRS 102 the closed defined benefit pension scheme had a deficit of £2.8M (2022: £3.1M). The actuarial valuation of the scheme, updated to reflect funding progress, as at 31 October 2021 revealed a funding shortfall (Technical Provisions minus value of assets) of £8.6M. To eliminate this updated funding shortfall, the Staff Pension Fund Trustee and the Fund agreed that the Fund would pay deficit funding contributions to the scheme of £100K per month from 1 January 2021 until 31 October 2028. £1.2M was paid in 2023. The December 2023 triennial valuation will be completed in 2024. This payment was in addition to the £24.1M expenditure described above.

RESERVES

Our total funds on 31 December 2023 were £122.8M (2022: £124.1M). These comprised unrestricted funds of £111.9M (2022: £113.0M), while restricted and endowment funds were £11.0M (2022: £11.1M).

Our commitment to support the RAF Family is a long-term one and, to honour this, we continue to take a risk-based approach to determining our free reserves minimum requirement. We continue to ensure funds are available to meet the demand for our welfare services and to secure, as far as possible, future financial viability. We continue to manage the risks associated with our strategy which include the uncertainty of future income particularly where we have realistic but ambitious targets. An important example of this would be the volatility in legacy notifications particularly given that this is a significant source of income for us. We also factor in the Charity's discretionary commitment to the Dependents Fund, particularly in the event of a mass fatality incident.

Unrestricted reserves included operational assets of £36.3M (2022: £34.6M), designated funds of £24.6M (2022: £27.9M) and free reserves of £51.0M (2021: £50.5M).

Free reserves

Trustees have determined that we should hold a minimum of £40M in free reserves to be assured that we are able to sustain the support we provide to the RAF Family in the long-term, as well as meeting other obligations, irrespective of fluctuations in income, market conditions and demand for our support. The current reserves are higher than the minimum requirement but we are comfortable with this surplus, given the risks that we are managing and the assumptions and objectives underpinning our long-term plan.

Designated Funds

Designated Funds at the year-end were £24.7M (2022: £27.9M). £10.4M (2022: £12.8M) of this is to be used for welfare services necessary to deliver our strategy, so we can remain responsive to beneficiary need and augment our core welfare offer as required.

Setting funds aside for our welfare provision continues to be important as we implement our strategy and achieve its goals in the current economic context of increased costs and social and healthcare sector challenges. In 2023 we used £2.4M of the funds designated for enhancing our welfare offer to part-fund our Listening and Counselling Service, care and mobility grants, fuel grants, community engagement, Benefits Advice Service and Advocacy Service, and our triage and caseworking teams, to enhance the service we provide to those who contact the Fund and those we go on to support.

£1.4M (2022: 1.2M) of the fund set aside for pension deficit recovery contributions up until October 2028 was paid out during the year, leaving a balance of £5.6M at the end of 2023 (2022: £7.0M).

£7.8M (2022: £7.2M) reserves of the Dependants Fund are set aside to meet our commitment to support RAF personnel who are subscribers to the Fund. The Dependants Fund reserves increased by £609K (2022: £886K decrease) due to the £634K gain in the market value of investments (2022: £893K loss) and a £25K operating deficit (2022: £8K surplus).

Restricted funds

Restricted funds representing the unspent balance of funds received for specific charitable activities were £5.0M (2022: £5.1M). The largest single restricted fund of £2.8M (2022: £2.8M) is for the maintenance and upkeep of the Bomber Command Memorial.

Endowment funds included both permanent and expendable funds and were £6.0M (2022: £6.0M). These funds represent income donated to the Fund, but are subject to the condition that the capital remains unspent. There was a small increase in the value of the fund due to an £18K unrealised gain on investments in the year (2022: £972K loss).

The Trustees are assured that the Charity has adequate resources to continue to operate for the foreseeable future and the Charity therefore continues to adopt the going concern basis in preparing its financial statements.

STRUCTURE, MANAGEMENT,
GOVERNANCE AND RISK

REFERENCE AND
ADMINISTRATIVE DETAILS

The Royal Air Force Benevolent Fund has the Charity Commission registration number 1081009. As we own/lease land and properties in Scotland, we are also registered with the Office of the Scottish Charity Regulator (OSCR) to comply with the Charities and Trustee Investment (Scotland) Act 2005. Our registration number is SCO38109. Our restricted and endowed funds have a separate registration number, 207327.

In accordance with Section 96 of the Charities Act 1993 (now replaced by Section 20 of the Charities Act 2011), the Charity Commission has stipulated that the two charities, having the same charity Trustees, are to be treated as a single charity.

We are also registered as a Royal Charter Company with the Companies House registration numbers ZC000201/RC000773.

The RAF Benevolent Fund Group also encompasses other entities – you can find details of these at the back of this report. We carry out some of our activities through these organisations.

STRUCTURE AND GOVERNANCE

The Fund was founded in 1919 and incorporated by Royal Charter in 1999. Trustees are appointed by our Council for a four-year term. They are then eligible for re-election for up to a further four-year term. Trustees may not hold office for a continuous period of more than eight years without the consent of our Board. Our Board of Trustees is made up of no fewer than 10 and no more than 15 Trustees.

Our Board met seven times in full session in 2023. It also met separately for an away-day strategy session.

Throughout 2023, our Board, either as a whole or through its committees, continued to receive ongoing briefings and training from senior management and external advisers in critical areas such as risk management, safeguarding and data protection.

We also have a Senior Independent Trustee whose role it is to act as a sounding board for the Chair and act as the same, or as an intermediary, for the other Trustees.

The key governance activities undertaken by the Board in 2023 included:

- Reviewing and approving the Reserves policy
- Undertaking a full review of the remit and delegated authority of each of our Board Committees which resulted in a series of amendments to the relevant terms of reference
- Approving amendments to the Fund's Byelaws
- Determining and approving those matters reserved for the Board

Our Board is responsible for setting our strategy and policies so we can achieve our charitable object, as set out in our Royal Charter. It is also responsible, through its committees, for monitoring the activities of our Executive Leadership Team, led by our Controller. It does this by reviewing our progress against our strategic and business plans and receiving reports from the Board Committees and the Executive Leadership Team. Our Controller, as our Chief Executive, is responsible for the day-to-day management of our affairs.

During the year our Board Committees were:

- Finance, Audit and Investments Committee
- Fundraising, Communications and Engagement Committee
- Major Grants Committee
- Nominations Committee
- Remuneration Committee
- Welfare and Safeguarding Committee.

We extend a thank you to all our non-trustee committee members for their advice and guidance during the year.

OUR STRUCTURE

We carry out some of our activities through the following subsidiaries:

- RAF Benevolent Fund Housing Trust Limited
- RAF Dependants Fund
- RAF Dependants Income Trust Limited
- RAF Trading Limited
- RAF Disabled Holiday Trust
- Royal Observer Corps Benevolent Fund

MANAGING RISK

Our Board has overall responsibility for managing the risks the Charity and its subsidiary entities face. The review of the Board Committee terms of reference has ensured that the committees now take greater ownership of risk within their remit and they provide regular reports, recommendations and updates to the Board accordingly.

Our Executive Leadership Team regularly assesses and manages risk on a day-to-day basis and our Board discusses the Fund's strategic risk register at each quarterly scheduled meeting. Our fundamental review of risk management in 2022 has continued to enable us to have the resilience and agility to effectively manage uncertainty, make informed decisions, understand and minimise threats, seize opportunities and,

most importantly, make the maximum possible positive impact on the RAF Family. The strategic risks we face are:

Income and financial sustainability

We acknowledge we may be unable to raise sufficient income to cover what we need to fund the RAF Family's current and future welfare needs. We also acknowledge that the ongoing economic climate and cost-of-living pressures could impact our fundraising.

We are mitigating this risk by continuing to focus on growing our supporter database, developing our individual and corporate relationships and looking at other ways in which we can diversify our income.

Our aim is to deliver our core and augmented welfare offering within affordable budgets ensuring that all our activities align with our charitable objects and strategic aims. Our robust risk-based reserves policy is regularly monitored and reviewed and approved by our Board during the year.

Meeting the needs of the RAF Family

Our ability to continue to meet the RAF Family's needs could be affected by the performance of the third-party organisations we rely on to provide services, our own failure to deliver effective and timely support, a rise in demand for our welfare services, or a lack of understanding of the RAF Family affecting our ability to deliver services that meet their needs.

We mitigated this risk by continuing our community engagement and focusing on making the journey to receiving our support smoother through our Welfare Navigator, Community Engagement Worker and Welfare Support Executive programmes. During the year, our direct involvement with casework has continued to grow. When awarding contracts to third-party suppliers we undertake robust due diligence, have built-in regular performance oversight and only work with those who share our values.

We continue to use data and analysis to understand the needs of the RAF Family and the environment we work in. Towards

the end of 2023, we embarked on a project to obtain an up-to-date understanding of the size, shape and needs of the RAF Family (both veterans and serving) which will result in recommendations on how the Fund can increase its relevance and effectiveness in meeting these needs.

We have also prepared for the launch of our Lived Experience Network in 2024, a new online volunteering initiative. The RAF Family is invited to consult and engage with us on a variety of topics, through surveys, focus groups and panels, to ensure that their voice continues to be at the centre of our decision-making.

We also continue to engage closely with our sister charities to avoid overlap and competition as well as promote collaboration and partnership working wherever possible.

Safeguarding and duty of care

We are committed to providing a safe and respectful environment for everyone who engages with us, whether they are members of the RAF Family, supporters, employees, contractors or volunteers. A failure in our safeguarding processes could result in harm and significant damage to our reputation.

We mitigated this risk by making sure we have a robust safeguarding policy in place, which is cross referenced with our other policies and independently audited every three years. Appropriate safeguarding training for staff, volunteers and Trustees is mandatory and we have a dedicated Safeguarding Lead Trustee on our Board.

Information and data security

The nature of our work means we process large volumes of personal data. There are risks inherent in doing this, including human error, failure to ensure secure data transfer, inadequate storage or inappropriate retention of data, ineffective business continuity and disaster recovery, and cyberattacks.

We mitigated these risks by making sure our policies and procedures are up-to-date, compliant with legislation and the Information Commissioner's requirements

and embedded with our staff and volunteers. All our staff are required to undertake annual mandatory training on data protection and the UK General Data Protection Regulation (GDPR). At the end of 2023, our internal auditors completed an audit of IT and information governance, which resulted in a number of recommendations which will assist the Fund in further mitigating risk in this area.

Governance and compliance with regulatory requirements

Our risks here include failure to comply with necessary legal requirements, apply best practices, apply the Charity Governance Code, comply with the Code of Fundraising Practice or keep up-to-date with changes in legislation.

We mitigated these risks through training and development, including inductions for new Trustees. Our Head of Governance remains abreast of changes and implications for the Fund, as do a number of other subject matter experts among our staff.

Fund capability: people, leadership and culture

Staff turnover, recruitment and retention continued to be key risks for the Fund, and other charities, in 2023. We continue to mitigate these by keeping abreast of employment market conditions and reacting accordingly, including monitoring salaries and making sure our remuneration policy remains relevant and is complied with. We ensured our recruitment processes were effective, from advertising to selection and job offers and remain committed to developing our staff. We have a comprehensive benefits package in place and review this annually.

REMUNERATION POLICY AND REVIEW

We continue to be strongly committed to recruiting, developing and retaining staff with the correct skills and knowledge to deliver our strategic plan. Making effective decisions around remuneration and reward is crucial to achieving our overall aims.

Our remuneration policy centres on rewarding employees in a fair, equitable and transparent way, by paying competitively against our relevant competitors in the third sector. We aim to match, where appropriate and affordable, competitive salaries based on current market conditions for any role.

Our focus continues to be a 'total reward' approach, in recognition that non-financial benefits such as working remotely up to two days a week and development opportunities, as well as the values we uphold, are of increasing relevance and value to current and potential employees.

Our Remuneration Committee reviews our remuneration policy annually to ensure that we adhere to its principles and that

those principles remain appropriate. The Committee also reviews our pension and broader reward provision and considers an annual pay award. To support this, the Committee uses external expert analytics and benchmarks to make its recommendations, which it then submits to our Board for approval.

In reviewing salary recommendations for 2024, our Trustees considered the impact of a number of factors impacting our staff, including the ongoing economic climate and rising inflation. A 3% annual pay award was agreed alongside a one-off cost-of-living award, both of which were paid in January 2024.

PRINCIPAL PROFESSIONAL ADVISERS

Independent external auditor

Saffery LLP
71 Queen Victoria Street
London EC4V 4BE

**Independent internal auditor
(appointed 6 March 2023)**

MHA
2 London Wall Place
London EC2Y 5AU

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Actuary

Broadstone Corporate Benefits Limited
100 Wood Street
London EC2V 7AN

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Investment managers

BlackRock Investment
Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL

CCLA Investment Management Limited
One Angel Lane
London EC4R 3AB

Close Brothers Asset Management
10 Crown Place
London EC2V 7AN

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Our Trustees are responsible for preparing our Trustees' Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The law applicable to charities in England and Wales requires our Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and the group and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, our Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

Our Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Charities Acts 2011 and 2022, the Charities and Trustee Investment (Scotland) Act 2005 (as amended by the Charities (Regulation

and Administration) (Scotland) Act 2023), the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

They are also responsible for safeguarding our assets and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Fund's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRUSTEE DECLARATION

Trustees hereby approve the 2023 Annual Report on 2 July 2024.



Richard Daniel BSc (Hons) FRAeS
Chair, Royal Air Force Benevolent Fund

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Royal Air Force Benevolent Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise of the consolidated statement of financial activities, the consolidated and charity balance sheets, the 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 affairs of the group and the parent charity 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;
- Have been prepared in accordance with the requirements of the Charities Act 2011; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- The information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- The parent charity has not kept proper and sufficient accounting records; or
- The parent charity's financial statements are not in agreement with the accounting

- records and returns; or
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of Trustees' responsibilities set out on page 37, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent charity 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.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with informed management and updating our understanding of the sector in which the group and parent charity operates.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related

financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or had knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charity's Trustees 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 parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London EC4V 4BE

Date: 19 July 2024

Saffery LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Consolidated statement of financial activities

For the year ended 31 December 2023

	Note	2023				2022			
		Unrestricted funds	Restricted funds	Endowed funds	Total	Unrestricted funds	Restricted funds	Endowed funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from									
Donations and legacies		13,159	657	-	13,816	15,430	901	-	16,331
Charitable activities		1,415	-	-	1,415	1,134	-	-	1,134
Other trading activities		271	-	-	271	399	-	-	399
Investments		2,462	61	-	2,523	2,480	225	-	2,705
Other income		978	-	-	978	3,284	-	-	3,284
Total income	2	18,285	718	-	19,003	22,727	1,126	-	23,853
Expenditure on raising funds		5,209	8	-	5,217	5,000	13	-	5,013
Expenditure on charitable activities									
Direct support to individuals		11,266	345	-	11,611	9,645	729	-	10,374
Welfare programmes and grants		4,566	383	-	4,949	4,111	449	-	4,560
Housing support and assurance		2,196	160	-	2,356	2,256	281	-	2,537
		18,028	888	-	18,916	16,012	1,459	-	17,471
Total Expenditure	3	23,237	896	-	24,133	21,012	1,472	-	22,484
Net income/(expenditure) before gains/(losses) on investments		(4,952)	(178)	-	(5,130)	1,715	(346)	-	1,369
Transfers between funds		-	-	-	-	47	(47)	-	-
Net gains/(losses) on investments	11	4,624	11	18	4,653	(7,358)	(322)	(972)	(8,652)
Net income/ (expenditure)		(328)	(167)	18	(477)	(5,596)	(715)	(972)	(7,283)
Other recognised gains and losses:									
Actuarial gains/(losses) on defined benefit pension scheme	15	(835)	-	-	(835)	9,441	-	-	9,441
Net movement in funds		(1,163)	(167)	18	(1,312)	3,845	(715)	(972)	2,158
Total funds brought forward		113,019	5,144	5,958	124,121	109,174	5,859	6,930	121,963
Total funds carried forward	23	111,856	4,977	5,976	122,809	113,019	5,144	5,958	124,121

The notes on pages 45–75 form part of the financial statements. All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

Consolidated and charity balance sheets

	Note	Group 2023	Group 2022	Charity 2023	Charity 2022
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	28	35	28	35
Tangible assets	10	29,113	27,073	4,370	4,630
Investments	11	76,073	71,639	68,646	64,847
Loans to beneficiaries	12	7,110	7,486	7,109	7,486
		112,324	106,233	80,153	76,998
Current assets					
Stock		10	5	-	-
Debtors and prepayments	13	8,461	10,027	19,382	19,409
Cash at bank and in hand		6,947	13,494	5,429	10,936
		15,418	23,526	24,811	30,345
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	14	(2,129)	(2,582)	(1,957)	(2,164)
Net current assets		13,289	20,944	22,854	28,181
Net assets excluding long-term liabilities and pension liability		125,613	127,177	103,007	105,179
Defined benefit pensions liability	15	(2,804)	(3,056)	(2,804)	(3,056)
Total net assets		122,809	124,121	100,203	102,123
Funds					
Endowment funds		5,976	5,958	5,976	5,958
Restricted funds		4,977	5,144	4,977	5,144
Designated funds		24,689	27,911	16,859	20,735
General funds		89,971	88,164	75,195	73,342
Pension reserve		(2,804)	(3,056)	(2,804)	(3,056)
	23	122,809	124,121	100,203	102,123

Approved by the Board of Trustees on 2 July 2024 and signed on its behalf by



Richard Daniel
Chair, Board of Trustees

Consolidated statement of cash flows

For the year ended 31 December 2023

	2023	2022
	£'000	£'000
Net cash used in operating activities	(7,765)	(3,764)
Cash flows from investing activities		
Dividends and interest from investments	2,523	2,705
Proceeds from the sale of property	1,357	4,735
Purchase of property and equipment	(3,532)	(940)
Net proceeds from sale of investments	219	2,823
Net cash provided by investing activities	567	9,323
Cash flows from financing activities		
Loans awarded	(146)	(333)
Loan repayments	797	819
Net cash provided by financing activities	651	486
Change in cash and cash equivalents in the year	(6,547)	6,045
Cash and cash equivalents as at 1 January	13,494	7,449
Cash and cash equivalents as at 31 December	6,947	13,494
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for the year ended 31 December	(477)	(7,283)
Adjustments for:		
Depreciation charges and amortisation	914	1,000
Gains on investments	(4,653)	8,652
Income attributable from joint venture	-	-
Dividends and interest from investments	(2,523)	(2,705)
Profit on the sale of fixed assets	(772)	(3,053)
Loan interest	(293)	(96)
Loans converted to grants	-	15
Loans written off less provision	18	57
Decrease/(increase) in stock	(5)	(2)
(Increases)/decrease in debtors	1,566	596
(Decrease)/increase in creditors	(454)	23
Pension interest expense	113	232
Pension fund costs	(1,200)	(1,200)
Net cash used in operating activities	(7,766)	(3,764)
Analysis of cash and cash equivalents		
Current accounts	6,947	13,494
Total cash and cash equivalents	6,947	13,494

Analysis of changes in net debt

	At 1 January 2023	Cashflows	At 31 December 2023
	£'000	£'000	£'000
Cash – Current Accounts	13,494	(6,547)	6,947

	At 1 January 2022	Cashflows	At 31 December 2022
	£'000	£'000	£'000
Cash – Current Accounts	7,449	6,045	13,494

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1 Principal accounting policies

These are the financial statements of the Royal Air Force Benevolent Fund and its related entities. The Charity was incorporated by Royal Charter in England and Wales on 29 December 1999. The Trustees of the Charity are named on page 2. The registered office is 67 Portland Place, London W1B 1AR.

BASIS OF PREPARATION

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice (FRS102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

ACCOUNTING CONVENTION

These financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the 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 (Charities SORP (FRS102)), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in Note 27.

The Group’s share of net income of the joint venture (20%) is accounted for using the equity method and is shown in the consolidated SOFA with the share of net assets shown on the balance sheet as an investment.

FUNCTIONAL CURRENCY

The Charity’s functional and presentational currency is GBP and is shown as £’000s in the financial statements.

GOING CONCERN

The Trustees have assessed whether the use of the going concern basis is appropriate. They have reassessed the business plans, income and expenditure projections, and taken the Charity’s reserves levels into account. Their conclusion is that there is no doubt about the Charity’s ability to continue operating as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of the approving the financial statements and are assured that the Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

FUND ACCOUNTING

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and that have not been designated by the Trustees for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim

and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against specific funds. The aim and use of the larger restricted funds is set out in the notes to the financial statements.

Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while Trustees have the power to convert expendable funds into income. These funds are set out in Note 26. The return on endowment investments is made up of income earned and gains or losses in the market value of the investments.

Income generated from endowment funds is spent on charitable activities. Investment income and gains are allocated to the appropriate fund.

RECOGNITION OF INCOME

Income is recognised in the SOFA when the Charity becomes entitled to it, it is more likely than not that the income will be received, and the monetary value of the income can be estimated with sufficient accuracy. Entitlement to legacy income is assumed when there is sufficient evidence that a gift has been left to the Charity, usually through the notification of a Will. Receipt of legacy income is deemed probable when there has been a grant of probate, and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Charity or uncertainty around receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

RECOGNITION OF EXPENDITURE

Expenditure is recognised in the SOFA on an accrual basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more than likely that payment will be paid in settlement.

Two main categories of expenditure shown in the SOFA are expenditure on raising funds and expenditure on charitable activities. Expenditure on raising funds includes all expenditure incurred to raise voluntary income to spend on charitable purposes as well as investment management fees. Expenditure on charitable activities includes all costs incurred by the Charity in carrying out its charitable aims to support the beneficiaries of the RAF Benevolent Fund.

SUPPORT COSTS

Support costs have been classified as: information technology and facilities, depreciation, general management and administration, finance and payroll, HR and governance. These costs have been allocated to activities on a basis consistent with the use of resources, and indirect costs have been apportioned on a headcount basis or in proportion to direct costs or income.

GRANT COMMITMENTS

Grants awarded are expensed in the SOFA in the year in which they are approved by the Trustees and the offer is conveyed to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1K (£5K in the RAF Benevolent Fund Housing Trust Ltd) are capitalised and included at cost, including any incidental expense of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

- Freehold land nil
- Freehold buildings over 50 years
- Leasehold buildings over the life of the lease, or 50 years if shorter
- Leasehold improvements over 30 years
- Project and office equipment over five years
- Computer equipment over three years
- Motor vehicles over five years

A full year’s depreciation is provided in the year of asset acquisition, and none in the year of disposal.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Software is classified as an intangible fixed asset and is capitalised where the cost plus incidental expenses incurred in acquisition is more than £1K.

Amortisation is provided on intangible fixed assets to write off the capitalised value on a straight-line basis over three years. A full year’s amortisation is provided in the year of asset acquisition, and none in the year of disposal.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

RELATED PARTY DISCLOSURES

The Charity has made the required disclosures in accordance with the Charities SORP (FRS 102).

Transactions with group undertakings are eliminated on consolidation.

INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Income receivable on investments is recognised in the SOFA on the accruals basis.

JOINT VENTURE

The RAF100 Appeal (Registered Charity 1167398; Company Registration: 9977273) was formed to bring the four major RAF charities and the RAF itself together to mark the centenary of the RAF with a programme of events. To assist with providing initial working capital, the Fund and the other RAF charities each provided a £25K short-term interest free loan to the RAF100 Appeal which has been subsequently repaid. On completion of the joint venture project any surplus reserves have been distributed as agreed among the joint venture partners.

This company has now been dissolved on 4 April 2023, having served its purpose.

STOCK

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

PENSION COSTS

Pensions are accounted for in accordance with FRS102 section 28, with a valuation undertaken by an independent actuary for the defined benefit scheme, the Royal Air Force Benevolent Fund Staff Pension Fund, which is closed to future accrual. Net pension finance income or costs are included immediately in other income or employee costs as appropriate.

Actuarial gains and losses are recognised immediately on the face of the SOFA. The scheme deficit is included as a liability in the balance sheet. Details of the pension scheme are included in Note 15 to the accounts.

The amounts charged to the SOFA for defined contribution schemes represent the contributions payable in the period.

FINANCE AND OPERATING LEASES

The Charity does not have any finance leases. Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred on a straight-line basis.

LOANS

Loans are awarded to beneficiaries in furtherance of charitable activities. The particular circumstances of each case will determine whether or not the loan is awarded free of interest. When interest is charged the rate is considerably lower than prevailing market rates. Loans are recognised as assets at the value of the award. Accrued interest, where applicable, is recognised as income and added to the balance of the loan. Repayments are made as provided in the loan agreement. To facilitate the relief of hardship and distress, the commencement of repayments can be deferred.

FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See Notes 13 and 14 to the accounts.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives – The annual depreciation charge for property and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Loans – Specific provisions have been made against loans where there is a high risk of non repayment.

Pension scheme deficit – The underlying assumptions used by the actuary in valuing the scheme are in accordance with FRS102 and based on assumptions recommended by the actuary.

2 Income and endowments

	Unrestricted	Restricted	Endowed	Total 2023	Unrestricted	Restricted	Endowed	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies								
Royal Air Force service personnel	1,594	-	-	1,594	1,588	-	-	1,588
General donations	2,647	510	-	3,157	2,549	511	-	3,060
Government grants (Job Retention Scheme, DFG)	-	-	-	-	-	43	-	43
Legacy income	8,918	147	-	9,065	11,293	347	-	11,640
	13,159	657	-	13,816	15,430	901	-	16,331
Charitable activities								
Housing	1,102	-	-	1,102	1,024	-	-	1,024
Respite care	20	-	-	20	14	-	-	14
Loan interest	293	-	-	293	96	-	-	96
	1,415	-	-	1,415	1,134	-	-	1,134
Other trading activities								
Income from fundraising events	198	-	-	198	252	-	-	252
Trading income	73	-	-	73	147	-	-	147
	271	-	-	271	399	-	-	399
Investment income								
Dividends from pooled funds	2,115	61	-	2,176	2,379	225	-	2,604
Interest earned	347	-	-	347	101	-	-	101
Movement in share of joint venture	-	-	-	-	-	-	-	-
	2,462	61	-	2,523	2,480	225	-	2,705
Other Income								
Profit on the sale of fixed assets	772	-	-	772	3,053	-	-	3,053
Pension interest income	206	-	-	206	215	-	-	215
RAF100 distribution	-	-	-	-	16	-	-	16
	978	-	-	978	3,284	-	-	3,284
Total income	18,285	718	-	19,003	22,727	1,126	-	23,853

The 2022 figure includes profit on sale of £0.9M for disposal of our Edinburgh office.

3 Analysis of expenditure

	Direct costs	External grants	Support costs	Total 2023	Direct costs	External grants	Support costs	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	3,143	-	1,416	4,559	2,841	-	1,485	4,326
Regional engagement	308	-	-	308	317	-	-	317
Other trading activities	18	-	-	18	32	-	-	32
Investment management fees	332	-	-	332	338	-	-	338
	3,801	-	1,416	5,217	3,528	-	1,485	5,013
Charitable activities								
Direct support to individuals	10,156	-	1,455	11,611	9,025	-	1,349	10,374
Welfare programmes and grants	840	3,162	947	4,949	865	2,814	881	4,560
Housing Trust support	1,393	-	963	2,356	1,599	-	938	2,537
	12,389	3,162	3,365	18,916	11,489	2,814	3,168	17,471
Total expenditure	16,190	3,162	4,781	24,133	15,017	2,814	4,653	22,484

See Note 22 for analysis of welfare programmes and external grants

4 Analysis of support costs

	Raising funds	Direct support to individuals	Welfare programmes and grants	Housing Trust support	Total 2023
	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	604	635	414	129	1,782
Depreciation and amortisation	86	87	57	685	915
General management and administration	110	112	73	23	318
Finance	321	322	210	65	918
Human resources	164	166	108	34	472
Governance	131	132	86	27	376
Total	1,416	1,454	948	963	4,781

	Raising funds	Direct support to individuals	Welfare programmes and grants	Housing Trust support	Total 2022
	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	598	557	364	135	1,654
Depreciation and amortisation	144	128	84	642	998
General management and administration	160	143	93	35	431
Finance	355	317	207	77	956
Human resources	126	113	74	27	340
Governance	102	91	59	22	274
Total	1,485	1,349	881	938	4,653

5 Staff costs

	2023	2022
	£'000	£'000
Wages and salaries	5,402	4,864
Social security costs	585	557
Pension costs	733	649
Termination and redundancy costs	94	9
Total	6,814	6,079

Costs for termination and redundancy are incurred when there is a constructive or legal obligation to make the payment.

The number of employees whose pay and benefits (excluding pension contributions) amounted to more than £60,000 in the year was as follows:

	2023	2022
	No.	No.
£60,001 – £70,000	3	4
£70,001 – £80,000	2	4
£80,001 – £90,000	1	1
£90,001 – £100,000	2	-
£100,001 – £110,000	-	1
£110,001 – £120,000	-	1
£120,001 – £130,000	-	-
£130,001 – £140,000	-	1
£140,001 – £150,000	1	-
Total	9	12

Seven employees (2022: 11) whose pay and benefits amounted to more than £60,000 in the year were members of the Group Personal Pension Plan, a money purchase scheme.

The average number of employees, calculated on a headcount basis, analysed by function was:

	2023	2022
	No.	No.
Charitable activities	77	64
Cost of generating funds	29	24
Governance, administration and support	23	21
Total	129	109

6 Key management personnel

The key management personnel of the RAF Benevolent Fund are the Executive Leadership Team (ELT). The ELT comprises of the Controller, the Director of Grants, Services and Programmes, the Director of Fundraising, the Director Strategy and Impact and the Director Resources. Total employee pay and benefits received by ELT for services to the Charity in 2023 were £612K (2022: £583K).

7 Net expenditure

	2023	2022
	£'000	£'000
Net expenditure for the year is stated after charging:		
Amounts paid for audit services (including VAT):		
Audit fees (current year)	76	74
Audit fees (prior year under accruals)	-	12
Corporation Tax Services	2	2
Investment management fees	332	338
Amortisation of intangible assets	21	161
Depreciation	893	839
Operating leases	168	57
Profit on disposal of fixed assets	(772)	(3,053)

8 Trustees' remuneration

The Trustees neither received nor waived any emoluments during the year 2023 (2022: £nil)

Out-of-pocket expenses were reimbursed to Trustees as follows:

	2023	2022	2023	2022
	No.	No.	£	£
Travel and Accommodation	8	9	4,959	5,413

9 Intangible assets

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Software costs				
Cost on 1 January	2,542	2,533	2,542	2,533
Additions during the year	14	9	14	9
Disposals during the year	-	-	-	-
Cost at 31 December	2,556	2,542	2,556	2,542
	-	-	-	-
Amortisation at 1 January	(2,507)	(2,346)	(2,507)	(2,346)
Amortisation for the year	(21)	(161)	(21)	(161)
Depreciation on disposals during the year	-	-	-	-
Accumulated amortisation at 31 December	(2,528)	(2,507)	(2,528)	(2,507)
Net book value 31 December	28	35	28	35

10 Tangible fixed assets

	Group 2023			Charity 2023		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	37,728	362	38,090	7,154	362	7,516
Additions during the year	3,518	-	3,518	-	-	-
Disposals during the year	(800)	-	(800)	(74)	-	(74)
Cost at 31 December	40,446	362	40,808	7,080	362	7,442
Depreciation at 1 January	(10,655)	(362)	(11,017)	(2,524)	(362)	(2,886)
Depreciation for the year	(893)	-	(893)	(226)	-	(226)
Depreciation on disposals during the year	215	-	215	40	-	40
Accumulated depreciation at 31 December	(11,333)	(362)	(11,695)	(2,710)	(362)	(3,072)
Net book value 31 December 2023	29,113	-	29,113	4,370	-	4,370

	Group 2022			Charity 2022		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	38,903	362	39,265	7,267	362	7,629
Additions during the year	931	-	931	47	-	47
Disposals during the year	(2,106)	-	(2,106)	(160)	-	(160)
Cost at 31 December	37,728	362	38,090	7,154	362	7,516
Depreciation at 1 January	(10,240)	(362)	(10,602)	(2,389)	(362)	(2,751)
Depreciation for the year	(839)	-	(839)	(228)	-	(228)
Depreciation on disposals during the year	424	-	424	93	-	93
Accumulated depreciation at 31 December	(10,655)	(362)	(11,017)	(2,524)	(362)	(2,886)
Net book value 31 December 2022	27,073	-	27,073	4,630	-	4,630

10 Tangible fixed assets (cont)

	Group 2023			Charity 2022		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net book value at 31 December is analysed as follows:						
Headquarters - London	3,851	-	3,851	4,065	-	4,065
Other properties	432	-	432	441	-	441
Gulf Trust Fund (restricted fund)	87	-	87	124	-	124
Charity	4,370	-	4,370	4,630	-	4,630
RAFBF Housing Trust Ltd	24,743	-	24,743	22,443	-	22,443
Group	29,113	-	29,113	27,073	-	27,073
The net book value of properties comprises:						
Freehold	28,733			26,608		
Long leasehold	380			393		
	29,113			27,073		

Properties held by the RAF Benevolent Fund Housing Trust Ltd support charitable activities. Properties are held so that beneficiaries, including wounded, injured or sick personnel who have been medically discharged from the RAF, can live in suitable, usually heavily adapted, accommodation. Properties are stated at historical cost and depreciated as per the policy stated in Note 1.

11 Fixed asset investments

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Market value as at 1 January	71,639	83,114	64,847	75,429
Additions	2,612	514	2,612	514
Withdrawals	(2,831)	(3,337)	(2,793)	(3,295)
Net investment gains	4,653	(8,652)	3,980	(7,801)
Market value at 31 December	76,073	71,639	68,646	64,847
Investments are represented by:				
Listed investments	75,453	63,201	68,026	56,409
Cash holdings in investments	12	7,886	12	7,886
RAF Disabled Holiday Trust Bonds	608	552	608	552
Total	76,073	71,639	68,646	64,847

The Charity is the only Trustee of the RAF Disabled Holiday Trust whose net assets to the value of £552K are included within investments. Also included is the Charity's share capital in the RAFBF Trading Co Ltd of £1, the results of this subsidiary entity are shown in Note 27.

12 Loans to beneficiaries

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Balance at 1 January	7,486	7,948	7,486	7,948
New loans	146	333	146	333
Interest charged	293	96	292	96
	7,925	8,377	7,924	8,377
Repayments	(797)	(819)	(797)	(819)
Loans converted to grants	-	(15)	-	(15)
Bad debts written off	-	(5)	-	(5)
Provision for loan conversion	(18)	(52)	(18)	(52)
Balance at 31 December	7,110	7,486	7,109	7,486

The Fund offers loans in cases where grant assistance is not appropriate or not possible. They enable asset rich but cash poor beneficiaries to remain in their homes. Loan interest is charged depending on the nature of the case at a rate substantially below commercial rates. All but £69k (2022: £70k) of the Fund's loans are secured by legal charges on the properties of the beneficiaries. The majority of loans have no fixed repayment date and are normally repayable from the beneficiary's estate. A specific provision for loan conversion has been allowed for where there is a high risk of non repayment

13 Debtors

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Legacy accrued income	7,606	9,214	7,581	9,167
Inter company balance	-	-	11,066	9,559
Other debtors	647	626	578	537
Prepayments	208	187	157	146
	8,461	10,027	19,382	19,409

14 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	230	485	221	479
Taxation and social security costs	243	265	277	258
Accruals for grants payable	1,109	1,324	1,052	1,068
Other creditors	547	508	407	359
	2,129	2,582	1,957	2,164

15 Pension commitments

The Royal Air Force Benevolent Fund pension arrangements are as follows:

A Group Personal Pension Scheme made up of a collection of individual pension plans for current employees arranged by the Fund has been provided by Royal London since 2016. The liability of the employer is limited to the contributions it makes which amounted to £733K (2022: £649K) of which £61K remained payable at the year end (2022: £56K).

The RAF Benevolent Fund Staff Pension Fund is a defined benefit scheme. The scheme was closed to new members on 31 August 2005 and was closed to future accrual on 1 April 2014. The most recent actuarial valuation was carried out as at 31 December 2021. Under the schedule of contributions agreed as part of the actuarial valuation as at 31 December 2021, the employer paid £1.2M during 2023 (2022: £1.2M). The new deficit contribution plan agreed that the employer would make contributions at the rate of £100K per month until 31 October 2028. The next triennial valuation as at the 31 December 2023 will be completed in 2024.

	2023	2022
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(27,453)	(27,338)
Fair value of plan assets	24,649	24,282
Net defined benefit liability	(2,804)	(3,056)

The amounts recognised in the SOFA are as follows:

Net interest expense on net defined benefit liability	113	232
Total pension expense recognised in the SOFA	113	232

Reconciliation of defined benefit obligation over the year

Defined benefit obligation as at 1 January	(27,338)	(39,680)
Interest expenses on defined benefit obligation	(1,226)	(703)
Remeasurement - effect of experience adjustments gain	54	(2,113)
Remeasurement - effect of changes in assumptions loss	(297)	13,875
Benefits paid	1,354	1,283
Defined benefit obligation as at 31 December	(27,453)	(27,338)

Changes in the fair value of plan assets over the year:

Fair value of plan assets as at 1 January	24,282	26,215
Interest income on plan assets	1,113	471
Remeasurement - return on plan assets excluding interest income gain	(592)	(2,321)
Contributions by employer	1,200	1,200
Benefits paid	(1,354)	(1,283)
Fair value of plan assets as at 31 December	24,649	24,282

Return on plan assets	521	(1,850)
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Remeasurements recognised in SOFA

Remeasurement - effect of experience adjustments gain	54	(2,113)
Remeasurement - effect of changes in assumptions gain/(loss)	(297)	13,875
Remeasurement - return on plan assets excluding interest income gain	(592)	(2,321)

Total remeasurement gain/(loss) recognised in SOFA	(835)	9,441
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15 Pension commitments (cont)

	2023		2022	
	£'000	%	£'000	%
Assets:				
Target Return Fund	24,260	98.4%	23,472	96.7%
Cash/other	389	1.6%	810	3.3%
	24,649	100%	24,282	100%

	2023	2022
Principal actuarial assumptions at the balance sheet date:		
Discount rate	4.4%	4.6%
RPI inflation rate	3.2%	3.2%
CPI inflation rate	2.6%	2.6%
Increases to pensions in deferment (CPI max 5%)	2.6%	2.6%
Increases to pensions in payment (CPI max 5%)	2.6%	2.6%
Commutation (% of pension)	25%	25%
Mortality – base table	S3PA	S3PA
Mortality – allowance for future improvements	CMI 2022	CMI 2021
	1.0% LTR	1.0% LTR
Life expectancies from age 63:		
Male currently aged 63	86.1	86.6
Female currently aged 63	88.6	89.1
Male currently aged 43	87.1	87.7
Female currently aged 43	89.8	90.2

Amounts for current and previous four periods are as follows:

	2023	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(27,453)	(27,338)	(39,680)	(41,561)	(37,767)	(34,526)
Fair value of plan assets	24,649	24,282	26,215	25,030	24,039	22,231
Deficit	(2,804)	(3,056)	(13,465)	(16,531)	(13,728)	(12,295)

16 Related party disclosure

Donations to the value of £806 (2022: £1,025) were received from individual Trustees in the year. Details of all inter-company transactions are shown in Note 27 on subsidiary entities. There were no other related party transactions.

17 Ultimate controlling party

The Trustees do not consider there to be an ultimate controlling party.

18 Capital commitments

There are no major planned capital commitments for 2023.

19 Analysis of group net assets between funds

	Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds	
	2023	2022	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible, intangible fixed assets	29,054	26,984	87	124	-	-	29,141	27,108
Investments	67,434	63,067	2,662	2,600	5,977	5,972	76,073	71,639
Loans to beneficiaries	7,110	7,486	-	-	-	-	7,110	7,486
Current assets	12,385	20,601	2,508	2,420	525	505	15,418	23,526
Current liabilities	(1,603)	(2,063)	-	-	(526)	(519)	(2,129)	(2,582)
Pension liability	(2,804)	(3,056)	-	-	-	-	(2,804)	(3,056)
Total net assets	111,576	113,019	5,257	5,144	5,976	5,958	122,809	124,121

20 Operating leases

At 31 December 2023 the group had total annual commitments under non-cancellable operating leases, all for office equipment and vehicles as follows:

	2023	2022
	£	£
Payments due: office equipment and vehicles		
Within one year	69,833	36,388
Within two to five years	99,345	47,740
Total	169,178	84,128

21 Contingent liability

The actuarial valuation of the Scheme as at 31 December 2020 revealed a funding shortfall (Technical Provisions minus value of assets) of £12.275M. This position was then updated to 31 October 2021 for the purposes of deriving the Recovery Plan in order to reflect more up-to-date information about the Scheme's funding progress. The funding shortfall at this date was £8.6M.

To eliminate this updated funding shortfall, the Trustees and the Employer have agreed that deficit funding contributions will be paid to the Scheme by the Employer of £100K per month from 1 January 2021 until 31 October 2028.

The Trustees of the RAF Benevolent Fund have granted a legal mortgage over the Charity's Head office at 67 Portland Place and 45 Devonshire Close, London, in favour of the Trustees of the SPF.

This charge is to secure future payments from the Charity to the SPF to extinguish the deficit. The obligation secured by the mortgage is in accordance with applicable statutory requirements. The Trustees have also complied with the requirements of section 124 of the Charities Act 2011 to obtain and consider proper advice.

A formal valuation of the property, which is held on a long lease (virtual freehold) interest, was carried out in August 2019 and the market value was placed at £11M. This property is shown at a net book value of £3.8M in the balance sheet.

22 Welfare programmes and External grants

	2023	2022
	£	£
GRANT FUNDING TO THE SERVING ROYAL AIR FORCE		
Station grants		
603 RAuxAF Sqn Edinburgh	500	1,100
RAF Akrotiri	4,000	600
RAF Aldergrove	300	9,800
RAF Benson	2,500	-
RAF Boulmer	1,000	600
MOD Boscombe Down	1,250	1,000
RAF Brize Norton	28,200	54,620
Cheltenham JSSU	-	500
RAF Coningsby	14,426	13,520
RAF Cosford	8,500	6,000
RAF College Cranwell	3,420	1,400
RAF Digby	15,824	3,700
BFSAI Falklands	750	500
RAF Fylingdales	500	1,000
RAF Gibraltar	-	3,312
Grantown-on-Spey RRC	-	300
RAF Halton	1,500	3,200
RAF Henlow	14,000	3,500
RAF High Wycombe	3,098	1,700
RAF Honington	6,887	12,802

	2023	2022
RAF Leeming	8,299	7,000
RAF Lossiemouth	3,200	1,700
RAF Marham	7,500	900
RAF Northolt	1,424	9,400
RAF Odiham	37,500	1,700
RAF Shawbury	3,301	1,000
MOD St Athan	301	1,000
RAF St Mawgan	3,000	10,500
RAF Valley	2,940	19,500
RAF Waddington	10,682	16,495
DMS Whittington	500	300
RAF Wittering	107,000	51,100
203 Sqn Brunei	750	-
602 Squadron RAuxAF	435	-
Chicksands DITG	12,724	-
Kings Camp SHAPE and Brunsumm	3,145	-
RAF Spadeadam	500	-
RAF Wyton	6,750	-
Worthy Down DCLPA	-	300
RAF(U) Swanwick	1,250	500
41 Op REIMAGE and 103 Op ILKANE	-	2,960
OneYMCA for three RAF stations	-	3,000
	317,856	246,509

TOTAL GRANT FUNDING TO THE SERVING ROYAL AIR FORCE	317,856	246,509
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	2023	2022
	£	£
CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE		
Airplay programme		
RAF stations - youth support programme	1,100,993	1,066,201
	1,100,993	1,066,201
General support		
RAF Families Federation	15,000	15,000
	15,000	15,000
RAF Episkopi	(2,005)	-
RAF Scampton	(58,280)	4,536
MOD Worthy Down	(2,170)	3,970
Grant Refund (RAF Shawbury)	-	(348,000)
TOTAL CONTRACTED SERVICES TO THE SERVING ROYAL AIR FORCE	1,053,538	741,707
TOTAL GRANTS AND CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE	1,371,394	988,216

	2023	2022
	£	£
CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES		
Wellbeing partnerships		
Headspace (mental wellbeing)	74,100	72,675
Silver Line/Age UK	130,223	137,705
Work Stress Management (listening and counselling)	609,273	539,999
Manage Health (listening and counselling)	106	228,435
Relate (young people listening and counselling)	78,512	65,658
PAM (listening and counselling)	283,283	93,411
Workshop and coaching	4,680	12,000
	1,180,177	1,149,883
Relationship support		
Relate - relationship counselling/mediation	217,935	199,792
TOTAL CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	1,398,112	1,349,675

	2023	2022
	£	£
GRANTS FUNDING TO THE VETERANS' COMMUNITIES		
AFCFT grant (Op UNITE)	54,992	42,708
Age Concern Spain - ACASA	5,000	5,000
Bridge For Heroes	-	4,000
Care after Combat	-	5,000
Combat Stress	80,581	87,813
Defence Medical Welfare Service	10,000	13,000
Fares4Free	-	5,000
Fighting with Pride	-	17,000
Improving Lives Plymouth	-	5,000
Military Wives Choir Foundation	-	7,500
National Gulf Veterans and Families Association	-	5,000
On Course Foundation	3,000	2,500
Poppy Scotland - ASAP	-	15,000
Project Propeller	-	(5,000)
RAF Widows' Association	35,580	34,015
Royal Commonwealth Ex-Services League (includes support towards caseworking costs)	26,537	38,214
Scotty's Little Soldiers	10,000	8,000
Slovak Western Front Army Veterans Widows	1,580	1,560
SSAFA, the Armed Forces Charity	21,792	20,550
Turn2Starboard	-	5,000
Veterans Outreach Support	-	9,000

	2023	2022
Waterloo Uncovered	-	1,800
Anxious Minds (Veteran Recovery College)	2,500	-
Eastern European Veterans - Poland	3,200	-
Eastern European Veterans - Slovakia	1,600	-
Lord Kitcheners Memorial Holiday	2,000	-
Lothians Veterans Centre	2,500	-
Polish Veterans Widow payment	2,068	-
RAF E-Sports	500	-
Taxi Charity for Military Veterans	3,500	-
Team Endeavour Racing UK CIC	5,000	-
The Orchestra of the Swan	3,400	-
Veterans Chaplaincy Scotland	2,500	-
Veterans Outdoors	4,000	-
We Are With You (formerly Addaction)	10,000	10,000
	291,830	337,660
Employment support		
The Poppy Factory	16,000	15,000
Regular Forces Employment Association	55,000	50,000
Walking With The Wounded	-	10,000
The Warrior Programme	-	5,000
	71,000	80,000
Housing support		
Broughton House	-	18,000
Lord Kitcheners Memorial Holiday Centre	-	7,000
Veterans Aid	-	15,000
Queen Elizabeth Hospital Birmingham Hospital Charity - Fisher House	10,000	-
	10,000	40,000
Residential and respite care		
Care for Veterans	20,000	18,000
	20,000	18,000
TOTAL GRANT FUNDING TO THE VETERANS' COMMUNITY	392,830	475,660
TOTAL GRANT AND CONTRACTED SERVICES PAYMENTS TO THIRD PARTIES	3,162,334	2,813,551
Total contracted services	2,451,648	2,091,382
Total discretionary grants	710,686	722,169
TOTAL COST OF SUPPORT THROUGH GRANT AND CONTRACTED SERVICES	3,162,334	2,813,551

23 Statement of funds

	At 1 January 2023	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2023	Charity at 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	88,164	17,876	(18,813)	3,990	(1,245)	89,971	75,195
Designated funds - see Note 24	27,911	409	(4,310)	634	45	24,689	16,859
Pension reserve	(3,056)	-	(113)	(835)	1,200	(2,804)	(2,804)
Total unrestricted funds	113,019	18,285	(23,236)	3,789	-	111,856	89,250
Restricted income funds - see Note 25	5,144	718	(896)	11	-	4,977	4,977
Endowment funds - see Note 26	5,958	-	-	18	-	5,976	5,976
Total funds	124,121	19,003	(24,132)	3,818	-	122,809	100,203

	At 1 January 2022	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2022	Charity at 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	93,577	21,383	(19,178)	(6,465)	(1,153)	88,164	73,342
Designated funds - see Note 24	29,062	1,344	(1,602)	(893)	-	27,911	20,735
Pension reserve	(13,465)	-	(232)	9,441	1,200	(3,056)	(3,056)
Total unrestricted funds	109,174	22,727	(21,012)	2,083	47	113,019	91,021
Restricted income funds - see Note 25	5,859	1,126	(1,472)	(322)	(47)	5,144	5,144
Endowment funds - see Note 26	6,930	-	-	(972)	-	5,958	5,958
Total funds	121,963	23,853	(22,484)	789	-	124,121	102,123

Unrestricted Funds

The sum of £24.7M (2022: £27.9M) is included in unrestricted funds and relates to the following designated reserves:

£7.8M (2022: £7.2M)	Reserves held by the RAF Dependants Fund to relieve immediate financial distress in the event of the death of a subscriber by giving a tax free grant, payable at the discretion of the Fund.
£5.6M (2022: £7.0M)	Pension deficit recovery contributions based on a revised recovery plan to pay £100K per month up to October 2028.
£10.4M (2022: £12.8M)	Enhanced welfare provision to (1) advance our strategic ambitions (2) enhance our welfare delivery and (3) build on our success
£935k (2022: £935k)	Property Fund to be used to maintain the Charity's presence in Scotland as required.

The transfer of £1.2M (2022: £1.2M) from general reserves to the pension reserve represents the Fund's contribution paid into the defined benefit pension scheme in the year.

Restricted Income Funds – Over £100K

Bomber Command Memorial	Maintenance of the Bomber Command Memorial in Green Park, Piccadilly
Gulf Trust	The funds are held in a ring-fenced fund for the benefit of RAF Gulf War Veterans
Lowe Trust	Supports Battle of Britain veterans and their descendants
RAF Disabled Holiday Trust	Providing holidays to severely disabled serving and ex-RAF personnel and their immediate dependants
Afghan Brain Injury	Support to veterans of Afghanistan who have sustained a brain injury
Armed Forces Covenant Fund – Operation Unite	To support the mental health of veterans who served in Afghanistan and Iraq

Endowment Funds – Over £100K

E H Jubb Fund	For the benefit of aircrew, their widows and dependants
Newton Driver Memorial Fund	For the maintenance and upkeep of property used as a home for members of the RAF and their dependants who are convalescent or disabled. If the income cannot be used for this purpose it can be applied for general purposes of the Fund.
Viscount Nuffield Endowment	Income used for general purposes
Hector Pilling Memorial Fund	To provide financial assistance for foundationers at the Duke of Kent School
RAF Prize Trust	To help with the education of dependants of deceased members of the RAF killed on duty or attributable to Service
Douglas Turner Benefaction	To be used for the assistance or benefit, including education, of former or future pilots and navigators and their dependants
RAFBF Educational Endowment Fund	To promote the education of the children of members of the Royal Air Force
RAFBF Educational Expendable Fund	To promote the education of the children of members of the Royal Air Force
Peter Henry Slater-Eiggert Memorial Fund	For the benefit of ex-members and dependants of 83 Squadron
The Revd. James Edmund Strickland Memorial Fund	For the use of general purposes of the Royal Air Force Benevolent Fund

24 Designated funds

	At 1 January 2023	Income	Expenditure	Net gains	Transfers	At 31 December 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Pension deficit recovery contributions	7,000	-	(1,435)	-	-	5,565
Enhanced welfare provision	12,800	-	(2,441)	-	-	10,359
Property Fund for the Scotland office	935	-	-	-	-	935
Total designated funds - Charity	20,735	-	(3,876)	-	-	16,859
RAF Dependants Fund	7,176	1,043	(435)	-	45	7,829
Total designated funds - Group	27,911	1,043	(4,311)	-	45	24,688

	At 1 January 2022	Income	Expenditure	Net gains	Transfers	At 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Pension deficit recovery contributions	8,200	-	(1,200)	-	-	7,000
Enhanced welfare provision	12,800	-	-	-	-	12,800
Property Fund for the Scotland office	-	935	-	-	-	935
Total designated funds - Charity	21,000	935	(1,200)	-	-	20,735
RAF Dependants Fund	8,062	409	(1,295)	-	-	7,176
Total designated funds - Group	29,062	1,344	(2,495)	-	-	27,911

25 Restricted funds

The RAF Benevolent Fund is responsible for a large portfolio of restricted funds. We have disclosed any individual funds with an opening or closing balance of over £10,000. The remainder of funds are grouped together under Other grant making funds within the restriction they are committed to.

	As at 1 January 2023	Income	Expenditure /transfer	As at 31 December 2023	As at 1 January 2022	Income	Expenditure /transfer	As at 31 December 2022
	£	£	£	£	£	£	£	£
Education								
RAFBF Educational Endowment Fund	20,759	-	(20,759)	-	19,999	20,759	(19,999)	20,759
RAFBF Education	15,694	13,582	(29,276)	-	-	24,129	(8,435)	15,694
Other grant making funds	9,100	7,754	(16,854)	-	-	19,984	(10,884)	9,100
	45,553	21,336	(66,889)	-	19,999	64,872	(39,318)	45,553
Princess Marina House and respite care								
Other grant making funds	-	-	-	-	-	1,075	(1,075)	-
	-	-	-	-	-	1,075	(1,075)	-
Housing								
Housing Trust General Restricted Fund	81,875	62,415	(144,290)	-	78,975	256,010	(253,110)	81,875
	81,875	62,415	(144,290)	-	78,975	256,010	(253,110)	81,875
Other								
Bomber Command Memorial	2,785,284	72,394	(49,644)	2,808,034	2,955,897	223,708	(394,321)	2,785,284
Trustee General and Learning and Development	-	22,218	-	22,218	-	1,000	(1,000)	-
Gulf Trust	450,255	-	(72,620)	377,635	450,255	-	-	450,255
	3,235,539	94,612	(122,264)	3,207,887	3,406,152	224,708	(395,321)	3,235,539
Welfare Programmes								
Armed Forces Covenant Fund Trust (Operation Unite)	203,500	161,916	(166,058)	207,405	-	258,916	(55,416)	203,500
Airplay	15,206	112,716	(127,922)	-	-	85,605	(70,399)	15,206
The Red Arrows Trust Serving Family Breaks	10,000	-	(10,000)	-	-	10,000	-	10,000
Other grant making funds	5,164	2,090	(7,254)	-	29,052	16,526	(40,414)	5,164
Restricted to RAF Valley	13,684	-	-	13,684	32,684	-	(19,000)	13,684
	247,554	276,722	(311,234)	221,089	61,736	371,047	(185,229)	247,554
Individual welfare								
Afghan Brain Injury	227,223	-	-	227,223	227,223	-	-	227,223
RAF Disabled Holiday Trust	575,769	5,196	-	580,965	569,635	6,134	-	575,769
Fulmer Fund	50,506	-	-	50,506	66,102	-	(15,596)	50,506
Lowe Trust	572,209	-	-	572,209	572,209	-	-	572,209
Other grant making funds	12,945	236,320	(235,676)	5,542	89,253	209,199	(285,507)	12,945
B Browns CT Financial Assistance	-	32,500	(7,500)	25,000	-	-	-	-
Royal Observer Corps	95,057	-	(8,138)	86,919	111,516	-	(16,459)	95,057
	1,533,709	274,016	(251,314)	1,548,364	1,635,938	215,333	(317,562)	1,533,709
Respite care - LIBOR Funds								
Respite care property	-	-	-	-	128,574	(35,245)	(93,329)	-
Respite breaks and care hotels	-	-	-	-	254,413	(184,413)	(70,000)	-
Contribution to Community Engagement Workers	-	-	-	-	212,498	111,200	(323,698)	-
Domiciliary care regular	-	-	-	-	-	109,298	(109,298)	-
Management support	-	-	-	-	60,472	(840)	(59,632)	-
	-	-	-	-	655,957	-	(655,957)	-
Total restricted funds	5,144,230	729,101	(895,991)	4,977,340	5,858,757	1,133,045	(1,847,572)	5,144,230

26 Endowment funds

The purpose of funds exceeding £100,000 is set out under Note 23.

	As at 1 January 2023	Unrealised Gain/(loss)	As at 31 December 2023	As at 1 January 2022	Unrealised Gain/(loss)	As at 31 December 2022
	£	£	£	£	£	£
Permanent endowment funds with unrestricted income						
Pilot Officer J P L Branson Memorial Fund	48,558	143	48,701	56,475	(7,917)	48,558
Pilot Officer James Erskine Cuning Memorial Fund	45,698	135	45,833	53,149	(7,451)	45,698
Flying Officer L S Delaney Trust	13,274	39	13,313	15,438	(2,164)	13,274
Paddy Finucane Memorial Fund	19,777	58	19,835	23,001	(3,224)	19,777
Louise Alice Kay Memorial Fund	40,854	121	40,975	47,515	(6,661)	40,854
Mosquito Memorial Fund	11,480	34	11,514	13,352	(1,872)	11,480
Flying Officer Douglas Frank Newsham Memorial Fund	36,474	108	36,582	42,421	(5,947)	36,474
Viscount Nuffield Endowment	1,055,919	3,118	1,059,037	1,228,074	(172,155)	1,055,919
Helen Mary Renton Fund	43,101	127	43,228	50,128	(7,027)	43,101
RAF Rugby Union Fund	50,688	150	50,838	58,952	(8,264)	50,688
Peter Henry Slater-Eiggert Memorial Fund	145,447	430	145,877	169,160	(23,713)	145,447
The Revd. James Edmund Strickland Memorial Fund	104,765	309	105,074	121,845	(17,080)	104,765
	1,616,035	4,772	1,620,807	1,879,510	(263,475)	1,616,035
Expendable endowment funds with unrestricted income						
Flying Officer William Dron Memorial Fund	2,450	7	2,457	2,849	(399)	2,450
Frederick Eley Fund	4,720	14	4,734	5,490	(770)	4,720
Wing Commander J Higginson Fund	9,641	28	9,669	11,213	(1,572)	9,641
Peter Grattan Holt Memorial Fund	50,245	148	50,393	58,436	(8,191)	50,245
E H Jubb Fund	334,650	988	335,638	389,211	(54,561)	334,650
Middle East Relief Fund	42,739	126	42,865	49,707	(6,968)	42,739
Morley Fund	7,006	21	7,027	8,148	(1,142)	7,006
Orlebar Memorial Fund	7,927	23	7,950	9,220	(1,293)	7,927
Shattock Memorial Scholarship Fund	11,904	35	11,939	13,845	(1,941)	11,904
Wooding Memorial Fund	8,492	25	8,517	9,877	(1,385)	8,492
	479,774	1,415	481,189	557,996	(78,222)	479,774
Permanent endowment funds where the use of the income is restricted						
Newton Driver Memorial Fund	2,144,024	6,332	2,150,356	2,493,582	(349,558)	2,144,024
Group Captain W E Purdin Memorial Fund	2,738	8	2,746	3,184	(446)	2,738
RAFBF Educational Endowment Fund	542,933	1,603	544,536	631,452	(88,519)	542,933
Douglas Turner Benefaction	129,237	382	129,619	150,307	(21,070)	129,237
	2,818,932	8,325	2,827,257	3,278,525	(459,593)	2,818,932
Expendable endowment funds where the use of the income is restricted						
Mrs H M Jereham Memorial Fund	29,785	88	29,873	34,641	(4,856)	29,785
Hector Pilling Memorial Fund	631,099	1,864	632,963	733,992	(102,893)	631,099
RAF Prize Trust	241,178	712	241,890	280,499	(39,321)	241,178
RAFBF Educational Expendable Fund	142,469	421	142,890	165,697	(23,228)	142,469
	1,044,531	3,085	1,047,616	1,214,829	(170,298)	1,044,531
Total endowment funds	5,959,272	17,597	5,976,869	6,930,860	(971,588)	5,959,272

27 Subsidiary entities

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

	RAFBF Trading Ltd		RAF Dependants Fund		RAF Dependants Income Trust Ltd		RAFBF Housing Trust Ltd		RAF Disabled Holiday Trust		Subsidiary Entities	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:												
Donations	-	-	-	6	-	-	35	118	56	1	91	125
Investments	5	1	238	224	2	1	50	19	-	-	295	245
Other trading activities	73	147	-	-	-	-	-	-	-	-	73	147
Charitable activities	-	-	-	-	-	-	1,077	998	-	-	1,077	998
Profit on sale of properties	-	-	-	-	-	-	749	2,140	-	-	749	2,140
Subscriptions	-	-	171	179	35	35	-	-	-	-	206	214
	78	148	409	409	37	36	1,911	3,275	56	1	2,491	3,869
Expenditure on:												
Charitable activities	47	110	380	360	-	-	1,849	1,986	32	31	2,308	2,487
Other trading activities	28	31	-	-	-	-	-	-	-	-	28	31
Management and administration	3	7	54	42	37	36	-	-	-	-	94	85
	78	148	434	402	37	36	1,849	1,986	32	31	2,430	2,603
Net gains/(loss) on investment assets	-	-	634	(893)	-	-	-	-	5	6	639	(887)
Net result of subsidiary	-	-	609	(886)	-	-	62	1,289	29	(24)	700	379

RAFBF Trading Limited

Company number: 07768120

A company set up for the RAF Benevolent Fund to conduct trading in support of its charitable objectives. The Company donated £47,632 to the Fund in 2023 (2022: £109,528). The inter-company balance owed to the Fund at year end was £111,913 (2022: £159,578). The net assets at year end were £1 (2022: £1).

RAF Dependants Fund

Charity number: 253492

A charity with the RAF Benevolent Fund as custodian Trustee. Set up to promote the efficiency of the RAF through relieving dependants of deceased serving personnel from financial distress. There were 19 deaths in 2023 (2022: 19). The death grant was £20,000 in each case. The inter-company balance owed to the Charity at year end was £21,956 (2022: £5,864). The net assets at year end were £7,829,762 (2022: £7,220,769).

RAF Dependants Income Trust Limited

Company number: 01285364

A company set up for RAF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were seven member deaths in 2023 (2022: 10) and beneficiaries received payments made on behalf of the Trust by the underwriters Aviva. The company donated £nil to the Charity in 2023 (2022: £nil). The inter-company balance owed to the Charity at year end was £26,177 (2022: £5,864). The net assets at year end were £3,339 (2022: £3,339).

RAF Benevolent Fund Housing Trust Limited

Company number: 1058896
Charity number: 264636
Scottish registered number: SCO38218

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to hold and operate properties of beneficiaries of the RAF Benevolent Fund. The inter-company balance owed to the Fund at year end was £10,954 (2022: £9,497,644). The net assets at year end were £14,724,216 (2022: £14,662,567).

RAF Disabled Holiday Trust

Charity number: 286019

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to provide holidays to disabled serving and former members of the RAF and their dependants. The Trust purchases holiday bonds which entitles it to book holidays in the UK and Europe for its beneficiaries. RAF Benevolent Fund Gift in Kind amounted to £3,840 (2022: £nil).

The inter-company balance owed by the Charity at year end was £77,260 (2022: £49,750). The net assets at year end was £550,961 (2022: £521,779).

SUBSIDIARY ORGANISATIONS

RAF BENEVOLENT FUND HOUSING TRUST LIMITED

Companies House: 01058896

Charity Commission: 264636

OSCR: SC038218

Directors/Trustees:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Patrick Aylmer

Wing Commander Sarah Davis

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Emrys Rogers

RAFBF TRADING LIMITED

Companies House: 07768120

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Alison Benjamin

Graeme Craig (until 28 Mar 2023)

James Dooley

Jason Shauness (until 17 Mar 2023)

Air Commodore Paul Hughesdon
(from 28 Mar 2023 until 15 June 2023)

RAF DISABLED HOLIDAY TRUST

Charity Commission: 286019

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

RAF DEPENDANTS INCOME TRUST LIMITED

Companies House: 01285364

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Richard Cryer

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Squadron Leader Clive Martland

Group Captain Dawn Murty

RAF DEPENDANTS FUND

Charity Commission: 253492

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

Management Committee members:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Richard Cryer

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Squadron Leader Clive Alan Martland
(from 30 May 2023)

Group Captain Dawn Murty

Scheme Manager:

Andy Cairns (until 21 Apr 2023)

Dave Pinner (from 24 July 2023)

RAF BENEVOLENT FUND TRUSTEES LIMITED

Companies House: 00945083

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

Patrick Aylmer

Wing Commander Sarah Davis

Air Commodore Paul Hughesdon
(until 28 Mar 2023)

Air Commodore Simon Harper
(from 28 Mar 2023)

Emrys Rogers

RAFBF PROPERTY COMPANY LIMITED (DORMANT)

Companies House: 10456754

Directors:

Air Vice-Marshal Chris Elliot (Chair)

Victoria Akinboro

ROYAL OBSERVER CORPS BENEVOLENT FUND (DORMANT)

Charity Commission: 209640

OSCR: SC037659

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)



Find out more about our
impact and our work at
rafbf.org/impact

Please contact us today if you
need our support.

Live chat on our website: rafbf.org

Email: mail@rafbf.org.uk

Call: 0300 102 1919

**To support us visit:
rafbf.org/get-involved**

Royal Air Force Benevolent Fund
67 Portland Place
London
W1B 1AR



THE ROYAL AIR FORCE BENEVOLENT FUND

England & Wales - Charity number 207327

Accounts

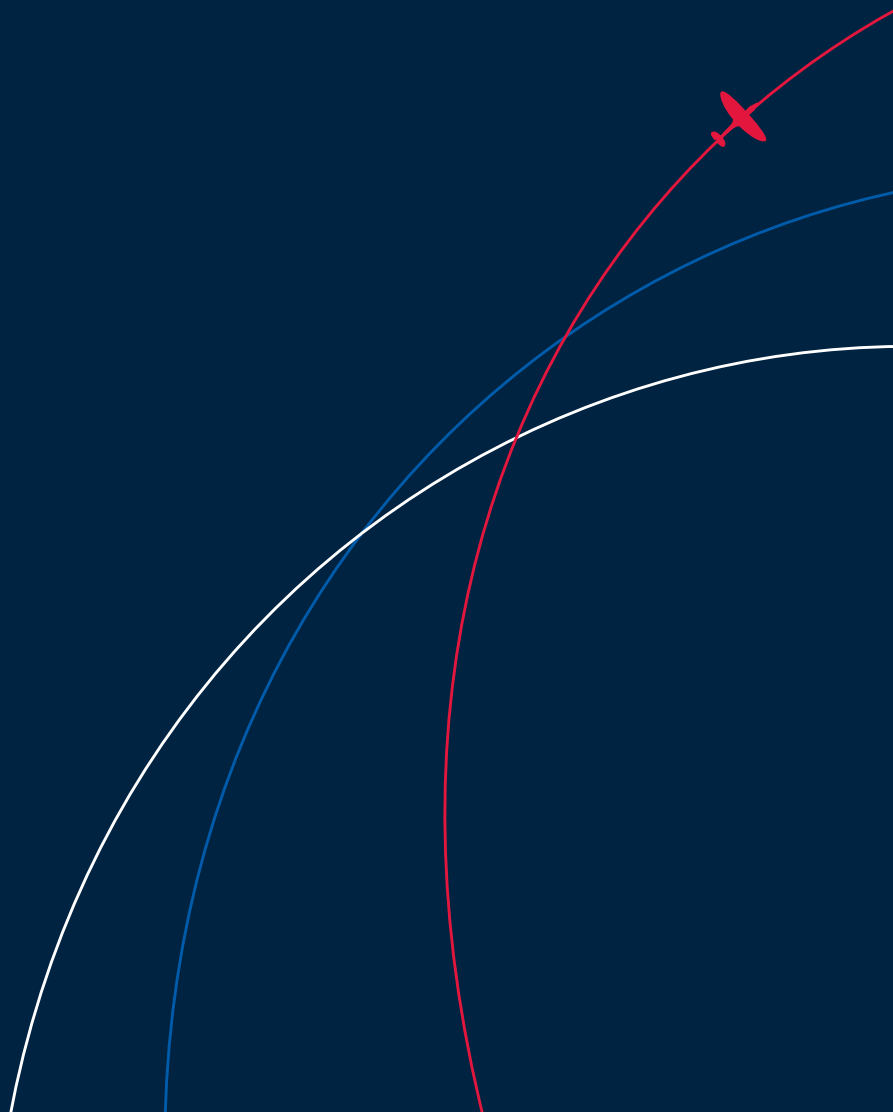


Royal Air Force
Benevolent Fund

ANNUAL REPORT

2022

TRUSTEES' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 DECEMBER 2022



PRINCIPALS, TRUSTEES AND EXECUTIVE LEADERSHIP TEAM

PATRON

Her Majesty Queen Elizabeth II
(until 8 September 2022)

PRESIDENT

HRH The Duke of Kent
KG GCMG GCVO ADC(P)

LIFE VICE-PRESIDENTS

Marshal of the Royal Air Force The Lord Craig
of Radley GCB OBE MA DSc FRAeS

Air Chief Marshal Sir Michael Graydon
GCB CBE ADC FRAeS

Air Chief Marshal Sir Stephen Hillier
GCB CBE DFC MA

Air Chief Marshal Sir Richard Johns
GCB KCVO CBE FRAeS

Air Chief Marshal Sir Roger Palin
KCB OBE MA FRAeS FIPD

Lady Elaine Hillier

VICE-PRESIDENT

John Isabel

COUNCIL

Chair

Richard Daniel BSc (Hons) FRAeS¹

Deputy Chair

The Viscount Trenchard of Wolfeton DL

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Members as at 27 June 2023

(date report approved)

Wing Commander Sarah Davis MBA MSc
FCIPD²

Lady Elaine Hillier²

Wing Commander Marie-Noelle Orzel
OBE QVRM MSc PGDE RGN RSCN³

Alison Benjamin BA (Hons)⁴

Rachel Prendergast BA (Hons) MA⁴

Graeme Craig MA⁵

Air Marshal Richard Maddison OBE MA⁶

Air Chief Marshal Sir Richard Knighton
KCB FREng⁷

Stepped down during reporting period

Lawrie Haynes CBE DEng BA (Hons) FCILTR
FRSA (28 Jan 2022)

Air Marshal Andrew Turner CB CBE MA MSc
BA FRAeS CCMI RAF (11 Mar 2022)

Frances Brindle MSc BSc (Hons)
(28 Sept 2022)

Air Vice-Marshal John Cliffe CB OBE
(23 Oct 2022)

David Cheyne MA (Cantab) (31 Mar 2023)

Air Chief Marshal Sir Michael Wigston
KCB CBE ADC RAF (2 June 2023)

¹ Appointed 1 Feb 2022

² Appointed 24 Jan 2022

³ Served until 30 Nov 2022. Reappointed 12 Dec 2022

⁴ Appointed 12 Dec 2022

⁵ Appointed 1 Apr 2023

⁶ Appointed 4 May 2023

⁷ Appointed 2 June 2023

BOARD OF TRUSTEES

Chair

Richard Daniel BSc (Hons) FRAeS¹

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Trustees as at 27 June 2023 (date report approved)

Allyson Arnold MSc BScN (Hons)

Patrick Aylmer FCA

Alison Benjamin BA (Hons)

Richard Cryer MA (Cantab) FCA

Wing Commander Sarah Davis
MBA MSc FCIPD

Wing Commander Dr Sophie Allen
MBChB MRCGP DRCOG DFSRH
DOccMed DAvMed PGCME^{2 3}

Squadron Leader Clive Martland MBE²

Lady Meri Mayhew BA (Hons)²

Rachel Prendergast BA (Hons) MA²

Peggy Walters MA²

Graeme Craig MA⁴

Stepped down during reporting period

Lawrie Haynes CBE DEng BA (Hons)
FCILTR FRSA (28 Jan 2022)

Frances Brindle MSc BSc (Hons)
(28 Sept 2022)

Sarah Casemore MBA (25 Feb 2022)

Air Vice-Marshal Elaine West CBE
(23 Apr 2022)

Wing Commander Marie-Noelle Orzel OBE
QVRM MSc PGDE RGN RSCN⁵ (30 Nov 2022)

David Cheyne MA (Cantab)⁶ (31 Mar 2023)

¹ Appointed 1 Feb 2022

² Appointed 30 Sept 2022

³ Safeguarding Lead Trustee from 1 Dec 2022

⁴ Senior Independent Trustee from 1 Apr 2023

⁵ Safeguarding Lead Trustee until 30 Nov 2022

⁶ Senior Independent Trustee until 31 Mar 2023

EXECUTIVE LEADERSHIP TEAM

Controller

Air Vice-Marshal Chris Elliot CB CBE DL

Director of Resources

Victoria Akinboro BSc (Hons) ACMA CGMA

Director of Fundraising

Jason Shauness BEc (Hons) Grad Dip REM¹

Director of Grants, Services and Programmes

Air Commodore Simon Harper OBE²

Director of Strategy and Impact

Alison Wyman MSc BSc (Hons) CG (Affiliated)

¹ Resigned 17 Mar 2023. From 27 Mar to 15 June 2023, this role was undertaken by Air Commodore Paul Hughesdon MA.

² Appointed 9 Mar 2023. Air Commodore Paul Hughesdon MA undertook this role until he resigned on 8 Mar 2023.

**Royal Air Force Benevolent Fund
Principal and Registered Office**
67 Portland Place,
London W1B 1AR

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THERE FOR THE RAF FAMILY, NOW AND INTO THE FUTURE



Photo: Rory Lewis

2022 was a very challenging year for the RAF, the country and the world.

Together with the whole nation, I was deeply saddened by the death of Her Majesty The Queen. The late Queen showed an inspirational sense of duty during her reign and, as the RAF Benevolent Fund's Patron from 1952, provided endless support for those who served her country.

Those serving in the RAF in 2022 found themselves operationally busier than they have been for more than 40 years and were at the forefront of support to the Ukraine government. Britain also faced the challenges of the cost-of-living crisis, while the legacy of Covid-19 continued to cast a shadow.

Through all these challenges, the RAF Benevolent Fund in 2022 stood shoulder to shoulder with more than 40,700 RAF veterans, serving personnel and their families, offering financial, practical and emotional support. Demand for assistance of all kinds was higher than ever.

At the beginning of the year the Fund launched its new five-year Shaping The Future strategy. This provides a robust foundation to meet the RAF Family's needs today and beyond. Its first year saw strong achievements, including distribution of £7.1M in grants to RAF Family members to pay for essentials such as energy bills and disability equipment.

As we go forward into 2023, the Fund, inspired by the late Queen's example of duty and devotion, stands ready to support anyone in the RAF Family in need, no matter what difficulties they face.

A handwritten signature in black ink, appearing to read 'Duke of Kent'.

HRH The Duke of Kent
President, RAF Benevolent Fund
KG GCMG GCVO ADC(P)

ABOUT US

OUR VISION

Our vision is that everyone in our RAF Family – veterans, serving personnel and their families – gets support in their hour of need.

OUR PURPOSE

Our purpose is to be here for every member of the RAF Family in need – listening, understanding and providing life-changing practical, emotional and financial support.

OUR KEY WELFARE GOALS FOR THE RAF FAMILY 2022-2026



Improved access to personalised support



Improved quality of living



Increased independence



Enhanced wellbeing

OUR VALUES



Empathetic
We listen and seek to understand, standing side-by-side with the RAF Family.



People-focused
We put people at the heart of everything we do.



Responsive
We do what we say we will do, and use evidence and insight to adapt to changing needs.



Inclusive
We work hard to ensure everyone feels valued and supported, and make ourselves accessible.



Innovative
We are forward-leaning and encourage new ideas and approaches to remain relevant.

“The support the Fund has provided has been second to none, including converting my bathroom into a wetroom and providing me with an orthopaedic bed. I wouldn't have been able to get this far without it.”

Former RAF Sergeant Leroy Francis, who has multiple sclerosis, explains the difference equipment we provided has made to his life



PROGRESS AGAINST OUR STRATEGIC AIMS

In 2022 we were pleased to launch our new strategy, *Shaping The Future*, which will run through until 2026.

Our new strategy responds to the immense challenges and changes the RAF Family has faced in recent years, resetting our direction to make sure we can support veterans, serving personnel and their families for years to come. It builds on our previous short-term strategy which allowed us to be there for the RAF Family through the toughest times of 2020 and 2021.

Based on a review of data, research and analysis, plus the views of our staff and the people we help, *Shaping The Future* identifies the RAF Family's key needs and opportunities for us to meet them over the next five years, so we can continue to provide life-changing support.

THE CONTEXT FOR SHAPING THE FUTURE

The context for our new strategy includes:

- **The changing shape and needs of the RAF Family.** The RAF Family is both ageing and reducing in number, as many members get older and pass on. As people age, the complexity of their needs often increases. At the same time, the current economic climate is making life particularly challenging for working-age people. We know that in the coming years, the RAF Family will be a younger and more diverse community. Over the next few years, we have an opportunity to continue our focus on supporting older veterans, while helping everyone who needs our support.
- **Covid-19.** The pandemic had a huge impact on mental wellbeing and social isolation. These will likely be two of the most significant areas of need for the RAF Family

over the next few years. The pandemic's economic impact has also contributed to financial difficulties for people of all ages and in many cases has reduced the availability of local support services.

- **Digital.** Covid-19 greatly accelerated the trend towards delivering services digitally. This gives us opportunities to increase our use of data to make sure our services exactly meet the RAF Family's needs, to adapt our services to make them digitally accessible, and to use digital to make our organisation more effective and efficient.
- **The need to continue to work together with other organisations.** There are other military charities that support the RAF Family. We want to collaborate more with them and other partners within and outside the charity sector, where it helps us provide the best possible support for the RAF Family.
- **Financial sustainability.** In recent years we made a deliberate decision to increase our spending and draw on reserves to reach and support older veterans before they pass on. However, consistently spending more than we are able to raise is unsustainable. Ensuring our future financial sustainability has become a top priority.
- **The need to improve the RAF Family's journey to getting support.** Our research showed we could do more to help people navigate through their journey to getting support from us.

PROGRESS IN 2022

Our strategy sets out five areas we want to focus on between 2022 and 2026. We are delighted to have made significant progress in each of them this year. However, our ambition runs deep and we look forward to achieving even more in the years to come.

Focus 1: Providing more hands-on, tailored support to the RAF Family to help them through the journey to support

This year we supported more than 40,700 members of the RAF Family to improve their quality of living, increase their independence and enhance their wellbeing. 88% of people surveyed who we helped said our services were excellent or they were very satisfied.

These high rates of satisfaction link to our work in 2022 to increase access to personalised, tailor-made support for veterans, serving personnel and their families, no matter how complex their needs are. Throughout 2021 and 2022, we recruited six Welfare Navigators and six Welfare Support Executives. They are making the journey from contacting us initially to getting comprehensive support smoother and easier, and making sure we can meet even the most complex needs.

Our data shows our new approach is reaping rewards – read more about our achievements on page 14.

Focus 2: Strengthening our community engagement to be present in more communities and engage locally more effectively, including developing a volunteering framework and building a regional support capability

We know that our presence on the ground, in communities, helps us encourage more RAF Family members to come to us for support. It also allows us to closely monitor the needs of serving personnel, veterans and their families, so we can tailor our services to make sure they have the most impact on people's lives.

In 2022 we increased our team of Welfare Support Executives (WSEs), based across the UK, from three to six, with two new WSEs taking up posts in Scotland and one

in North West England. Part of their role is to work with RAF Family members to assess their needs and put in place personalised support plans. While volunteer caseworkers from the RAF Association (RAFA) and SSAFA still do much of this work, our WSEs deal with more complicated and complex cases. They also give us more capacity to support the RAF Family, and help people get support more quickly.

Our Community Engagement Workers (CEWs) are another crucial part of meeting this aim. They help RAF Family members to re-connect into meaningful and regular social activities, reducing loneliness and isolation. In 2022 with Covid-19 restrictions fully lifted, our CEWs were able to work at full pace again. We grew our team, adding posts in Kent and Nottinghamshire. Our CEWs began offering new social activities for isolated veterans and their families, including a group for carers at Imperial War Museum Duxford, jointly managed with the Royal British Legion, and a monthly lunch club in Bognor Regis, set up with RAFA.

60% of people who used the CEW service are now engaged in a regular, meaningful social activity – up significantly on 47% at the end of 2021. We are now working on implementing a new way of measuring our CEWs' impact, looking at their effect on levels of loneliness, not just numbers of people engaged in activities.

Our group wellbeing breaks are another way we connect with RAF Family members out in the community. Our welfare services team held three breaks in 2022 offering retired RAF Family members the chance to get away, meet new, likeminded people from RAF backgrounds, relax and improve their mental and physical health. 88% of people surveyed who took part said the break made a positive difference to their life.

In 2022 we also began to look at how we can use volunteers more effectively to complement our work. We have recruited a volunteer manager to lead on this.

Focus 3: Increasing fundraising income by investing in building our donor database through direct marketing, as well as building long-term, committed relationships with a portfolio of higher value corporate partnerships and philanthropists

We are aiming to grow our fundraising income from £16.3M in 2021 to £20.1M by 2026, to make sure we can continue to support the RAF Family when they need it most, and to make the Fund sustainable for the future.

In 2022 we developed our plans to increase our income, although our delivery was weakened by difficulties in recruiting staff. This means that we are little behind where we wanted to be. However, we raised £16.7M from donations and legacies to improve the lives of the RAF Family. This was up £0.4M on our fundraising total in 2021. You can read more about our fundraising in 2022 from page 21.

To help us raise money, we focused on raising awareness of the Fund. We were mentioned more than 2,100 times in newspapers, magazines and in digital and broadcast media in 2022. We also produced podcasts and films to showcase our work, while our garden at the 2022 RHS Chelsea Flower Show, funded by Project Giving Back, helped raise our profile too.

Focus 4: Placing a greater emphasis on insight, impact and innovation so we can make effective, evidence-based decisions at the right time and be proactive about adapting our strategy

We want all our decisions about how we support the RAF Family now and in the future to be based on solid evidence and data, so we know we are doing our best to meet their needs.

In 2022 we made good progress in achieving this. For example, we worked with RAF stations and units all over the UK to do an analysis of their needs, giving us more insight into the serving community.

We used insights and data to improve many of our services, including what we offer through the Disabled Holiday Trust and the process for serving personnel to apply for our support. We also commissioned an external consultancy to review how our Housing Trust works.

We released an important new piece of research too. Our Gambling and Wellbeing in the RAF report showed a heightened risk of gambling problems among serving RAF personnel. This research led us to work in partnership with the RAF on an important campaign to raise awareness among serving personnel of problem gambling. A project is now underway to comprehensively survey awareness of safer gambling across the Armed Forces and to better identify opportunities for help and support.

Also new for 2022 were Airbreaks – residential breaks for children taking part in our Airplay clubs on RAF bases. We ran two breaks as a pilot for around 190 children, who thoroughly enjoyed the experience. We completed research during the breaks, were impressed by the results and have agreed to roll out Airbreaks in 2023.

Focus 5: Developing greater collaboration and partnership working so we reduce duplication and achieve our aim of being sustainable for the future

We worked hard in 2022 to partner and collaborate with other organisations, where this benefits the RAF Family and makes us more efficient.

We made a successful joint bid with RAFA to the Armed Forces Covenant Fund Trust for funding to provide events to support comradeship, mental health and wellbeing for veterans of operations in Afghanistan and Iraq. We carried out research into the best format for these events in 2022 and will launch pilot events in 2023.

We strived to make sure other organisations, including SSAFA, RAFA, Haig Housing, housing provider Stoll and the RAF HIVE Service, were fully informed about what the Fund offers and able to refer RAF Family members to us. Attending regional events and giving presentations to veterans' associations also helped spread the word about how we can help the RAF Family.

Sharing knowledge and insights with other service charities helps us all cut costs and provide better support for everyone in the Armed Forces community. In 2022 we developed and launched our new online application portal with the Royal British Legion. It allows people applying for our support to manage their own application, so they can get help more quickly and easily. We then supported the Royal Naval Benevolent Trust (RNBT) to adopt the same system.

We also shared our processes for and experience of giving out grants with RNBT to help them review their own grants process. In addition, we shared learning with the Royal Navy and Royal Marines Charity about how we can best support people leaving RAF service. We also set up a working group for military charities to share knowledge about benefits advice. We joined the Department for Work and Pensions' Operational Stakeholders Engagement Forum to ensure the RAF Family's voice is heard in policy around benefits too.

To streamline costs, we share the platform we use to record information about the people we help with other service charities. We worked with them to update this system in 2022.

2022: OUR KEY STATISTICS

£17.5M
spent reaching
40,700+
members of the
RAF Family



£5.3M
spent reaching
24,000+
serving personnel
and their families



£12.2M
spent reaching
16,700+
veterans and their
families



96%
said we
improved
their quality
of life



88%
said our services
were excellent or
they were very
satisfied



£16.7M
raised from
legacies and
donations



81%
said we met
all or most of
their needs



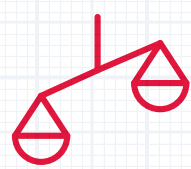
We supported
4,500+
people by giving
them information
or answering their
enquiry



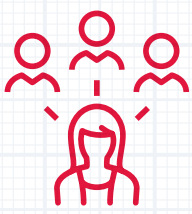
We gave
6,900+
people financial
assistance to help
them through tough
times



Our wellbeing
services supported
13,800+
people



We gave
2,000+
people advice and
advocated for them
on issues including
benefits and care,
alongside legal advice



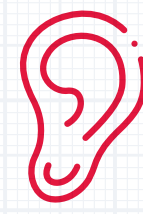
We helped
3,600+
people through
grants we
gave to other
organisations



We helped
10,100+
people through
grants we gave
to RAF stations



46%
increase in
enquiries
about financial
assistance



52%
rise in people
using our
Listening and
Counselling
Service

PROGRESS AGAINST OUR WELFARE GOALS



WELFARE GOAL 1

Offering better access to personalised support

We want every member of the RAF Family in need to be able to get tailor-made support from us quickly and efficiently. Ensuring this is a key part of our new strategy – and we have achieved a lot in our first year.

In 2021 our research showed opportunities for us to make it smoother and simpler for people to access the right support for them. We have been striving since to seize these. At the heart of this work are our six Welfare Navigators, three recruited in 2021 and three in 2022. They focus on giving anyone who gets in touch with the Fund a smooth journey to support.

In 2022 we started to see the fruits of their work. 76% of people surveyed who contacted the Fund about support said they were 'very satisfied' or 'satisfied' with their initial contact, up from 53% in 2019. Before our new strategy, only 33% of people who enquired about and were eligible for support from the Fund ended up receiving it. In 2022 we had increased this to 72%, thanks in part to our Welfare Navigators' work.

Our six Welfare Support Executives (WSEs), again all recruited in 2021 and 2022, are

based across the UK, ready to help people with multiple and more complex problems, including serious debts, homelessness and mental health issues, to create tailored, holistic support plans. We still rely on and are grateful for volunteer caseworkers from RAFA and SSAFA to do much of this work. However, having our own specialist caseworkers in the form of WSEs has boosted our capacity to support the RAF Family.

WSEs are also helping RAF Family members receive support more quickly, taking an average of 30 days to turn an initial enquiry into an application for support. 97% of people surveyed who received support from a WSE between October and December 2022 said they were 'very satisfied' or 'satisfied'.

Our work to increase access to personalised support has meant we are meeting more of the RAF Family's needs, more quickly and increasing their satisfaction. In 2022 96% of people surveyed who we helped said their quality of life had improved 'a lot' or 'quite a bit'. 81% said we had met all or most of their needs.

76%

'very satisfied' or 'satisfied' with their initial contact with the Fund – up from 53% in 2019

97%

supported by our Welfare Support Executives 'very satisfied' or 'satisfied'

WELFARE GOAL 2

Improving the RAF Family's quality of living

Times are tough. As the cost-of-living crisis hit hard in 2022 we were there for veterans, serving personnel and their families with grants and advice to help pay for essentials and relieve stress.

Demand from the RAF Family for our financial support grew sharply in 2022 with enquiries about this up 46% compared to 2021. We were ready to respond, giving over 4,800 individual grants totalling £4.1M to veterans, serving members of the RAF and their families to support them through financial crises. These included spending £312K on our new home fuel grants scheme, which we introduced in April as energy prices rocketed.

With serving personnel not immune to the cost-of-living crisis, we helped 7% more working-age members of the RAF Family with grants compared to 2021. 96% of people who received a financial assistance grant said it improved their quality of life.

We also offer grants to help RAF Family members with house repairs and to pay for essentials like a new boiler or handrails. 97% of people surveyed who received a housing-related grant in 2022 said it improved their day-to-day living. Another area we help with

is topping up care home fees, so RAF Family members can live in comfort in the best home possible. We spent £374K on this in 2022.

Many people looked to the welfare benefits system for support through the cost-of-living crisis in 2022. Our Benefits Advice Service was on hand with help to navigate this sometimes-tricky area. Our team identified £2.5M in unclaimed benefits – up 20% on 2021. 90% of people surveyed who used the service said it was 'excellent' or they were 'very satisfied' with it. 71% were able to make a benefits claim thanks to the advice they received.

We also supported the RAF Family with our free legal advice helpline, which offers guidance on issues from employment to family law. 84% of people surveyed who used the service said they were 'very satisfied' or thought the service was 'excellent'.

Through our Housing Trust, we provide suitable housing for veterans and serving RAF personnel who have experienced life-changing injuries and need to leave the service early. In 2022 more than 400 RAF Family members were living in our Housing Trust properties.



£5.3M

spent to improve 5,700+ RAF Family members' quality of living

96%

of people said their financial assistance grant improved their quality of life

£2.5M

identified in unclaimed benefits – up 21% on 2021

WELFARE GOAL 3



Increasing independence

We don't believe anyone who has served their country should have to struggle due to disability, injury, advancing years or leaving the service. We enable RAF Family members to cope with these challenges, and have lives that are as full, independent and happy as possible.

In 2022 we spent £3.1M supporting more than 2,100 members of the RAF Family to increase their independence.

A key part of this work is paying for mobility and care equipment, so people can safely and comfortably stay in their homes as long as possible. We spent £1.7M on this in 2022, and 95% of people surveyed who received equipment said it contributed to their comfort, while 87% reported that they used the equipment every day or most days.

We can also help pay for care at home and for respite breaks so RAF Family members can remain in their homes. This year we gave £127K and £19K respectively so RAF Family members could benefit from these.

Our spend on care at home was 42% lower than in 2021, largely due to the national shortage of carers. This has led to people having to make do with care from family or friends, or move into care homes or sheltered accommodation.

We specialise in providing advocacy in a number of areas too, including care services issues. We can act on behalf and argue in favour of RAF Family members facing problems including getting a care assessment, funding for care and more. We supported over 300 people in 2022 helping them save or access £689K in statutory support. 92% of those surveyed said our help had benefited them or a member of their family, while 54% said they got the result they wanted thanks to speaking to our service.

Another key area of work for us is providing grants to help RAF personnel leaving the service find employment and to support children who have lost a serving parent. In 2022 we spent £99K to help more than 110 people in these ways.

£3.1M
spent on increasing
2,100+ RAF Family
members' independence

95%
said mobility and
care equipment
we provided
contributed to
their comfort

£640K
spent to repair
and adapt
housing

WELFARE GOAL 4



Enhancing wellbeing

From our Listening and Counselling Service to relationship support, our Telephone Friendship Groups to our Airplay programme for children and young people, enhancing the wellbeing of the RAF Family is at the heart of what we do – especially in these turbulent times.

In 2022 we supported more than 13,800 veterans, serving personnel and their families (2,000 more than in 2021) to improve their mental wellbeing, find friendships and connections and improve their relationships.

IMPROVING MENTAL HEALTH

Our Listening and Counselling Service helped more than 2,200 people over the year to work through their problems, a 52% rise on 2021. 92% of those surveyed said the counselling had a positive impact on their life, while 69% showed a reliable clinical improvement in their mental health.

We also enabled over 1,200 people to receive relationship support through Relate, 17% more than in 2021. 83% said their situation was 'much better' or 'better' thanks to this support. In addition, our specialist counselling service for children and young people aged 5-18 supported more than 200 people. 70% of those helped felt the service had positively changed things for them.

For serving personnel and their partners, we offer free membership of Headspace, the meditation and mindfulness app. It provides practical tips and exercises to relieve stress – helping to stop more serious mental health problems developing. More than 7,000 RAF Family members enjoyed Headspace in 2022, an increase of over 1,200 on 2021. 96% of users surveyed said the app had improved their quality of life, while 97% said it had a positive effect on their stress levels.

SUPPORTING CHILDREN AND FAMILIES

Our Airplay and Ben Clubs provide interesting and exciting activities for children and young people on RAF stations, working with new partners RAF Community Support and One YMCA. We are delighted with the progress this new partnership is making. The number of children taking part in 2022 rose 14% compared to 2021 to over 2,300 across 25 RAF stations, significantly above our target of 1,500.

Members enjoyed over 6,000 hours of fun activities, with parents giving Airplay 4.7 out of five stars. Our surveys showed 93% of Airplay members feel they belong in the group, 96% feel Airplay provides a good range of activities, and 93% of parents feel Airplay is helping their child be more confident.

£3.7M
spent on enhancing the
wellbeing of **13,800+**
RAF Family members

52%
rise in people
using our
Listening and
Counselling
Service

84%
of children who
attend our Airplay
clubs feel good
about themselves

We also continued our Thrive workshops for partners of serving RAF personnel to improve their wellbeing, resilience, employability and, ultimately, quality of life. 72% of attendees showed an improvement in their wellbeing, according to an emotional needs audit we did before and after the course.

BUILDING CONNECTIONS

Our previous research showed that at least 85,000 members of the RAF Family could be experiencing loneliness or isolation. Against the backdrop of the pandemic, we worked hard in 2022 to help veterans, serving personnel and their families build friendships and connections.

Our Telephone Friendship Groups are weekly calls between RAF veterans or their partners, facilitated by trained volunteers, helping people to connect with others and feel less lonely. In 2022 over 220 veterans took part in more than 1,500 calls, with 78% of participants surveyed saying it improved their happiness.

With the Covid-19 crisis receding, our Community Engagement Workers (CEWs) managed to support more than twice as many people in 2022 compared to 2021. They introduced over 260 RAF Family members to meaningful, regular social activities. We now have CEWs in Cambridgeshire, Norfolk, Suffolk,

Lincolnshire, West Sussex, Hampshire, Kent and Nottinghamshire. 60% of people supported by CEWs now take part in regular meaningful social activity, a significant rise from 47% in 2021.

PROVIDING BREAKS

When life gets difficult, a spell away from home can help enormously. We offered serving families discounted or free UK breaks in 2022 giving them the chance to relax and recover from the stresses of everyday life. 88% said they were 'very satisfied' or 'satisfied' with their holiday. Some of these families enjoyed a break at The Folly, our new holiday bungalow in the seaside town of Bridlington, opened in 2022.

We also organised three group wellbeing breaks in 2022, bringing retired members of the RAF Family together for some time away to make new friends and relax. 100% of participants surveyed said they were 'very satisfied' or 'satisfied' with their break, and 88% reported a significant or somewhat significant improvement to their emotional wellbeing.

Our Disabled Holiday Trust offers accessible holiday accommodation for people with physical disabilities. 99% of people who enjoyed a break through the Trust in 2022 felt it had benefited an area of their life.

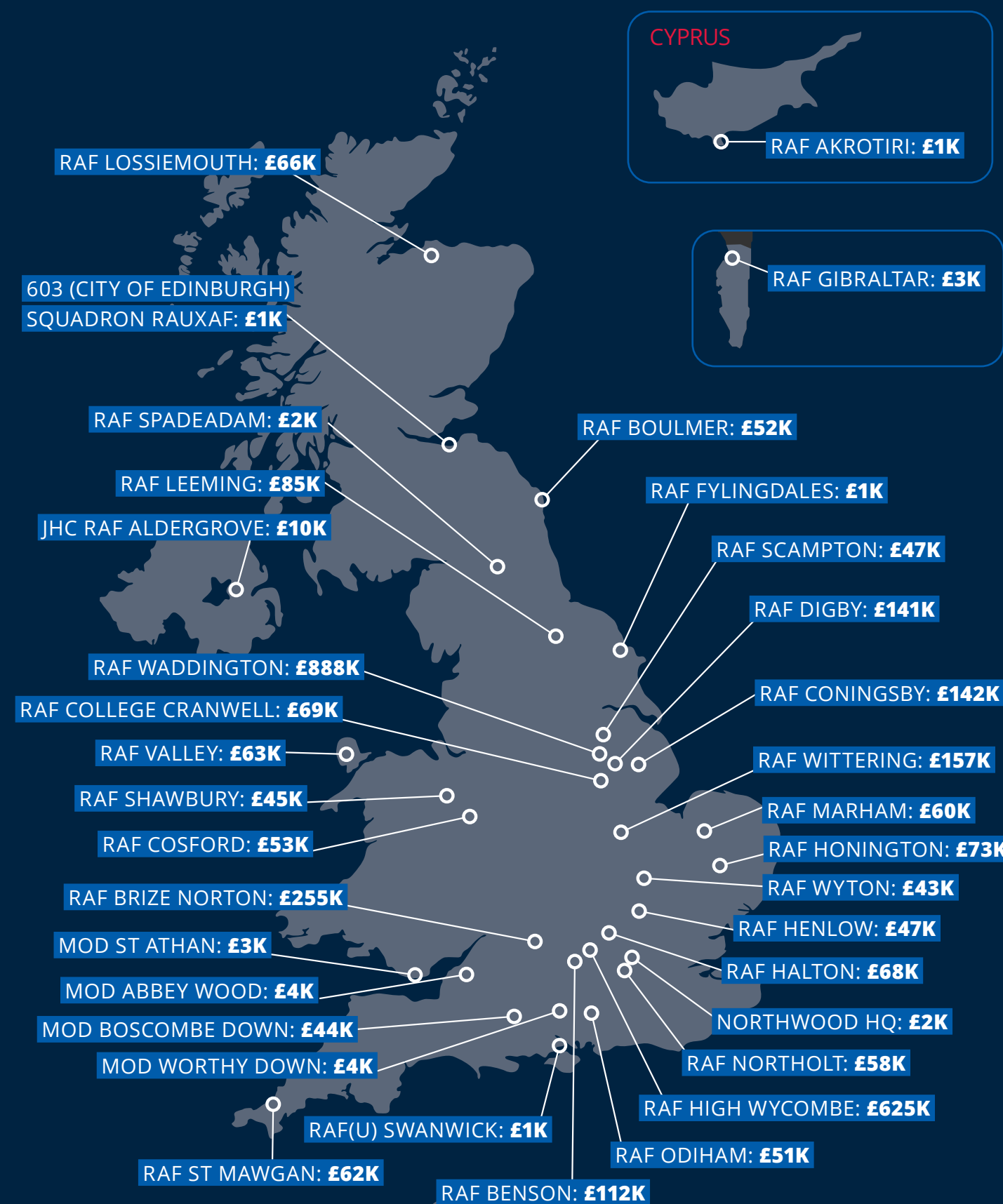
83%
said their situation
was 'much better'
or 'better' thanks to
relationship support

1,200+
more RAF Family
members
benefiting from
Headspace
membership
vs 2021

88%
said they were
'very satisfied'
or 'satisfied'
with our free or
subsidised breaks

SUPPORT FOR STATIONS

In 2022 we supported **10,100+** serving personnel and their families by giving **£4.5M** through RAF stations to fund facilities, activities, programmes like Airplay and individual grants





Working in partnership

EXTERNAL GRANTS

Every year we give grants to charities and other organisations who provide direct and targeted assistance to the RAF Family, including support with employment, homelessness and substance misuse.

In 2022 we gave
£476K
to 29 organisations, including:

Care for Veterans	£18K
The Poppy Factory	£15K
Defence Medical Welfare Service	£13K
Forces Employment Charity	£50K
Fighting With Pride	£17K
Poppy Scotland (Armed Services Advice Project)	£15K
We Are With You	£10K
Walking With The Wounded	£10K
RAF Widows' Association	£34K
Veterans Outreach Support	£9K
Broughton House	£18K
Combat Stress	£88K

OUR CASEWORKING PARTNERS

To supplement our own caseworking capability, we work with several organisations that investigate cases and distribute grants to the RAF Family on our behalf.

In 2022 we approved
£8.6M
in grants for our caseworking partners to distribute. The following partners distributed grants over £60K, which in total made up 71% of the distribution:

Royal Air Forces Association	£4M
SSAFA	£1.4M
The Royal British Legion	£394K
Royal Commonwealth Ex-Services League	£162K
The Royal Canadian Legion	£107K
Age in Spain	£62K



"It's been life-changing for me and my family, and it's given me a lot more self-esteem."

Tony, one of the almost 30 wounded, sick or injured RAF veterans The Poppy Factory supported to find employment in 2022 thanks to a £15K grant we provided to the organisation



Fundraising

In 2022 we raised £16.7M to support RAF Family members in need – £0.4M more than in 2021. It was only thanks to this incredible generosity from our supporters that we were able to offer life-changing financial, practical and emotional support to more than 40,700 veterans, serving personnel and their families throughout the year.

While the waves from the Covid-19 pandemic began to subside in 2022 other challenges arrived in its wake, including the cost-of-living crisis and war in Ukraine. We continued to respond and adapt quickly to the changing fundraising landscape and are very grateful to our supporters for digging deep to support us and the RAF Family during these difficult times.

CORPORATE PARTNERSHIPS

We were proud to have continued support from a number of long-term supporters in 2022 including MBDA UK, BAE Systems and Midshires Mobility Group. Our new corporate partner, Exolum, sponsored our annual Bomber Command Memorial Service, where we paid tribute to the brave air crews who made the ultimate sacrifice in the Second World War.

With generous backing from other sponsors, including Lockheed Martin, our 2022 Awards gave us the opportunity to thank supporters, fundraisers, stations and youth workers for their amazing achievements in supporting our work.

TRUSTS AND FOUNDATIONS

In 2022 we were extremely fortunate to receive over £800K from grant-making trusts and foundations. For example, the Wimbledon Foundation continued to generously support Airplay, our flagship youth support programme, awarding £50K, ensuring that RAF children and young people have a safe, supportive and fun space in which to thrive.

SUPPORT FROM THE SERVING RAF

Serving personnel continued the tradition of looking after their own, recognising the support we can offer to them in their time of need. 70% made a monthly gift to us through the Service Day's Pay Giving scheme, contributing an amazing £1.6M in 2022. Despite the continued Covid-19 restrictions and busy operational tempo, serving personnel at RAF stations across the UK went above and beyond to raise funds to support those in need. This included bucket collections at the RAF Odiham Families Day and 92 runners taking part in the RAF

£16.7M
total raised

£11.6M
received from legacies

£1.6M
received from the Service Day's Pay Giving scheme

Waddington Jubilee 10K. We are incredibly grateful to every single member of our serving RAF Family who supported and promoted the Fund in 2022.

INDIVIDUALS

Thank you to the thousands of supporters who made donations to the Fund or raised sponsorship from a wide range of events this year. We greatly appreciated the continued generosity of our long-standing supporters such as Mr and Mrs C Blowers, Mr Duncan Barber and Melissa John, and every one of the 2,000 supporters who contributed a total of £112K to our Christmas Appeal.

We are also very thankful to the 2,500 people who started to support the Fund at this difficult time, for the first time, after they requested one of our pin badges or limited-edition window stickers.

LEGACIES

In 2022 we were extremely grateful to receive £11.6M in legacies, up from £11.5M in 2021. This represents the largest form of income for us and we are deeply indebted to the people who choose to support us in this selfless way, helping to ensure we are here to look after the RAF Family for generations to come.

FUNDRAISING COMPLIANCE AND SUPPORTER PROMISE

When fundraising we comply with all relevant laws and regulations including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 and the Privacy and Electronic Communications Regulations 2003. Our Board of Trustees closely monitors our fundraising activity and performance alongside the fundraising management team.

We also comply with the regulatory standards for fundraising, including guidance published by the Charity Commission. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise, compliance with the Fundraising Preference Service and adherence to the Code of Fundraising Practice. In 2022 we paid the Fundraising Regulator's Fundraising Levy, a voluntary payment to help fund the organisation to regulate the charity sector's fundraising activities.

We are fully committed to the principles we lay out in our fundraising promise:

We believe in being transparent in how we raise money and spend donations, and the impact this makes on the RAF Family. We take this responsibility very seriously.

In all that we do, we aim to meet the highest standards, so that supporters and volunteers are able to give to and fundraise for us with confidence and trust that their hard work will make a difference.

We are open, honest and transparent

We promise to be open, honest and transparent in relation to our fundraising and, as importantly, in how accurately we represent members of the RAF Family in the materials we produce. We engage them in planning and ensure we have sign-off before the materials are made available to supporters or the public.

We are respectful

In our fundraising materials, or in conversation, we show respect and we promise never to pressurise anyone to make a donation. We are particularly sensitive when engaging with vulnerable people, including those who are elderly.

Importantly, we do not and never have shared our supporters' details with any other charity or business. Following the introduction of the General Data Protection Regulation in 2018, we only communicate with supporters who have given us express permission to maintain contact with them. We keep supporters up to date with our work in a way and at times that suit them. If any supporter prefers a reduced level of contact, they only have to let us know and we will respond to their wishes.

We are accessible

We want to make it easy for anyone to get in touch with our fundraising team. Whether they want to update their contact preferences or ask a question about our work or how we spend their donation, we welcome their phone call, email or letter.

We have a complaints procedure should a supporter be unhappy or have concerns about any of our fundraising activities. This is available on our website or by contacting the fundraising team at hello@rafbf.org.uk.

We will help supporters to take their complaint to the Fundraising Regulator if they feel we haven't responded suitably. We record all complaints we receive in response to our fundraising. During 2022 we received three complaints (2021: 11) of which two were of a minor nature and quickly resolved. The other complaint, also minor in nature, was rejected. There were no instances we referred to the Fundraising Regulator in 2022.

RELATIONSHIPS WITH FUNDRAISING SUPPLIERS

We employ external agencies to add additional expertise or capacity when and where needed. This is more cost-effective than trying to do everything ourselves. We appoint these agencies through a competitive tendering process. We also put in place a contract and an agreed Service Level Agreement for the work they will carry out for us, carefully ensuring they provide the same high standards as our in-house team.

£1.5M
received from
partners, trusts
and major donors

£1.8M
received
from other
donations

£0.2M
received from
fundraising events
and trading
activities

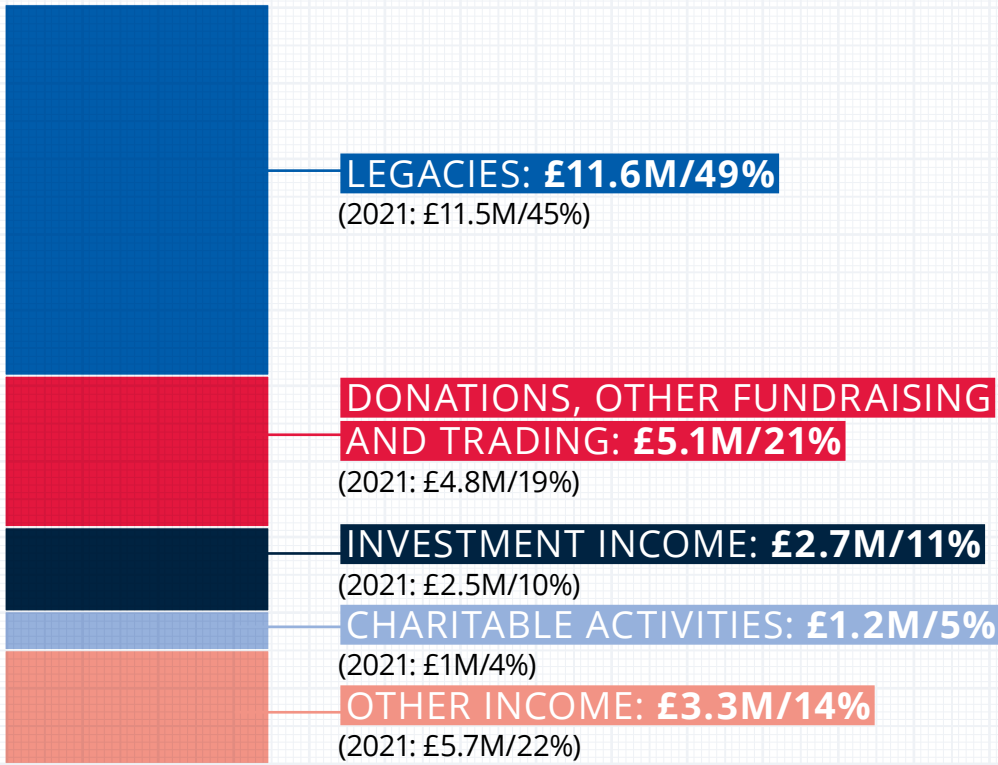
THANK YOU TO OUR DONORS

We are extremely grateful to the following trusts, companies and committed individuals who gave us significant levels of support in 2022:

- | | |
|--|---|
| 2Excel Aviation (The Blades) | Loppylugs and Barbara Morrison Charitable Trust |
| Ada Hillard Charitable Trust | Knight Sportswear |
| Adrian Swire Charitable Trust | Lockheed Martin UK |
| The April Fools' Club | MBDA UK |
| Armed Forces Covenant Fund Trust | Donagh McCullagh |
| Babcock International Group | Medlock Charitable Trust |
| BAE Systems | The Mercury Foundation |
| B and Q Foundation | Midshires Mobility Group |
| Duncan Barber and Jane Burrows | Mrs Mary Stephanie Warren-Coleman Charitable Trust |
| The Beaujolais Run® | National Lottery Community Fund, Young Start programme |
| Bill Brown's 1989 Charitable Trust | Dr Michael Oliver OBE DL |
| Mr and Mrs Colin Blowers | Pilkington Charity Fund |
| Bradbury Family Trust | Proludic Ltd |
| Charles Burrell 2016 Charitable Settlement | RAF Habbaniya Association |
| Coysh Family Charitable Trust | Red Arrows Trust |
| Ray Daniels | Schroders Personal Wealth |
| Grayson Ditchfield | Scottish Government Armed Forces Third Sector Resilience Fund |
| Dyers' Company | Sir Donald and Lady Edna Wilson Charitable Trust |
| Exolum International UK | Thales Charitable Trust |
| Pascal Fournier | Westwood Charitable Trust |
| Identity Group | Wimbledon Foundation |
| The Inter-Livery Target Rifle Shoot | |
| John Isabel | |
| James Weir Foundation | |
| J H Bartlett Charity Trust | |
| John James Bristol Foundation | |
| Laurence Masters Will Trust | |

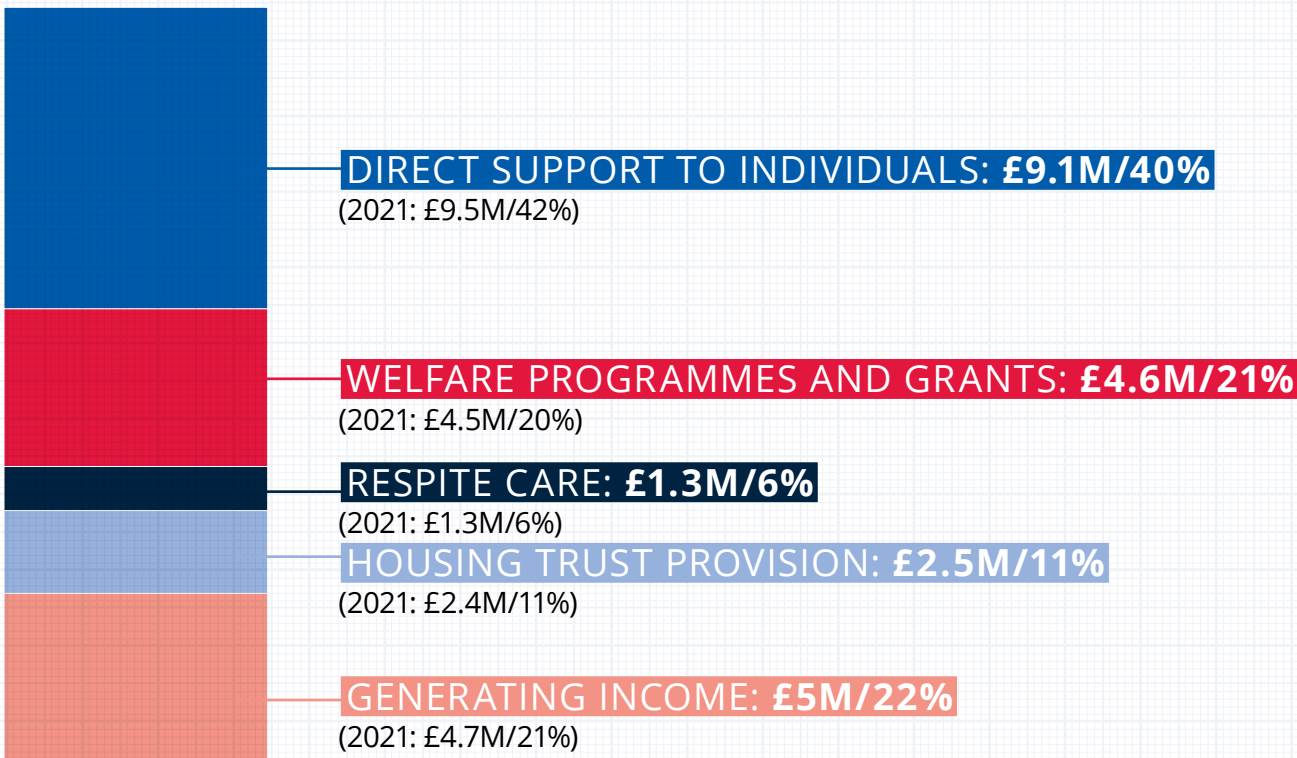
FINANCIAL HIGHLIGHTS

Total income: **£23.9M*** (2021: £25.5M)



*Income from legacies and fundraising was £16.7M, 70% of total income generated.

Total expenditure: **£22.5M** (2021: £22.4M)



Financial review

OVERVIEW

One of the aims of our new five-year Shaping The Future strategy is being sustainable for the future. As we reported last year, we are determined to have a financially sustainable model that will allow us to continue supporting the RAF Family for many years to come.

We entered 2022 aware of some major risks that could make a significant impact on our financial outcomes in the year. These included high energy prices, rising inflation, the cost-of-living crisis, higher interest rates, a challenging labour market and volatility on the investment markets. These factors had the potential to drive up demand for our support and services on one hand while inhibiting our ability to generate income on the other.

Despite the challenging environment we were able to generate total income of £23.9M (2021: £25.5M) in 2022. Total income in 2021 included £4.2M received from the disposal of Princess Marina House and when this is taken into account, we saw an overall increase in income from normal activity. Key contributors included legacy income and property disposals. Our legacy income performance is reflective of a successful year for legacy bequests in the charity sector.

We saw a significant increase in demand for some of our core welfare support, such as wellbeing services and grants. The former saw the single largest increase in demand. The cost-of-living crisis led to an increase in the number of working-age RAF Family members we supported through grants compared to 2021. Total expenditure at £22.5M was 1% higher than the previous year. While we saw significant increases driven by more demand and higher costs, we offset these with lower expenditure in other areas.

Our overall net income before investment market losses was £1.4M (2021: £3.2M). The value of our investments fell by £8.7M (2021: increased by £6.6M).

INCOME

Our total income in 2022 was £23.9M, £1.6M (6.6%) lower than the £25.5M generated in 2021. The income generated included £3.1M (2021: £5.5M) of profit from the disposal of fixed assets. Before the profit on disposal of assets is taken into account, income was £20.8M (2021: £20.0M), a 3.9% increase year-on-year.

Fundraised income was £16.7M (2021: £16.3M). As mentioned above, 2022 was another good year for legacy income, raising £11.6M (2021: £11.5M), a 1.3% increase on the previous year. Legacy income made up 49% (2021: 45%) of total income in 2022.

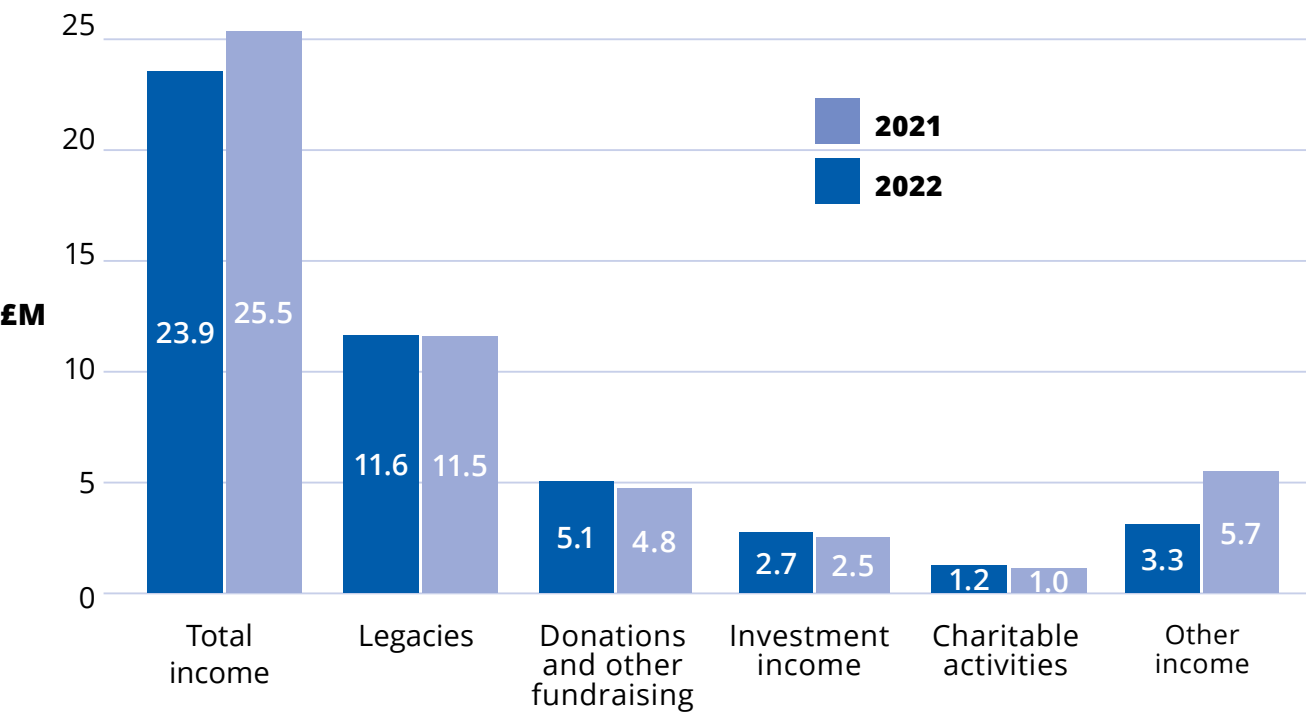
Donation income was £4.7M (2021: £4.2M) an 11.0% increase. This included £1.6M (2021: £1.6M) income from serving RAF personnel, through our Service Day's Pay Giving scheme. As in 2021, we saw mixed performances in the different aspects of our fundraising when compared to the previous year. We were able to recover some of the ground lost in 2021 due to the Covid-19 pandemic. However, we did face some challenges, such as difficulty in recruiting for fundraising roles because of labour market conditions. Trading activities generated £0.4M (2021: £0.6M).

In 2022 we used 81p in every pound raised from donations and legacies for charitable activities (2021: 81p). In addition, we invested 91% (2021: 100%) of the £1.2M (2021: £1.1M) generated from our charitable activities back into supporting the RAF Family. Most of this was rental income.

£22.7M/95% (2021: £24.6M/96%) of our total income was unrestricted, meaning our Trustees could decide how best to use resources and direct them where they were most needed.

Following careful consideration, we decided to sell our office property in Edinburgh, with a view to moving into modern, purpose-built, Equality Act 2010-compliant premises. We completed the sale during the year and

INCOME £23.9M



have put the £0.9M net proceeds into a designated fund to use when we determine the best way to fulfil the requirement for our presence in Scotland and when property market conditions are favourable.

We were able to maintain investment income, despite 2022 being a particularly difficult year for investors globally. Soaring inflation, the war in Ukraine, lockdown measures in China and monetary policy of central banks all resulted in negative returns. However, the investment managers for our long-term funds were able to maintain income distributions. Our medium-term investment strategy to invest in low-risk, quality, short-dated bonds also worked well, and gross income yield was £2.7M (2021: £2.5M).

EXPENDITURE

Total expenditure in 2022 was £22.5M (2021: £22.4M) a £0.1M/1% increase on the previous year.

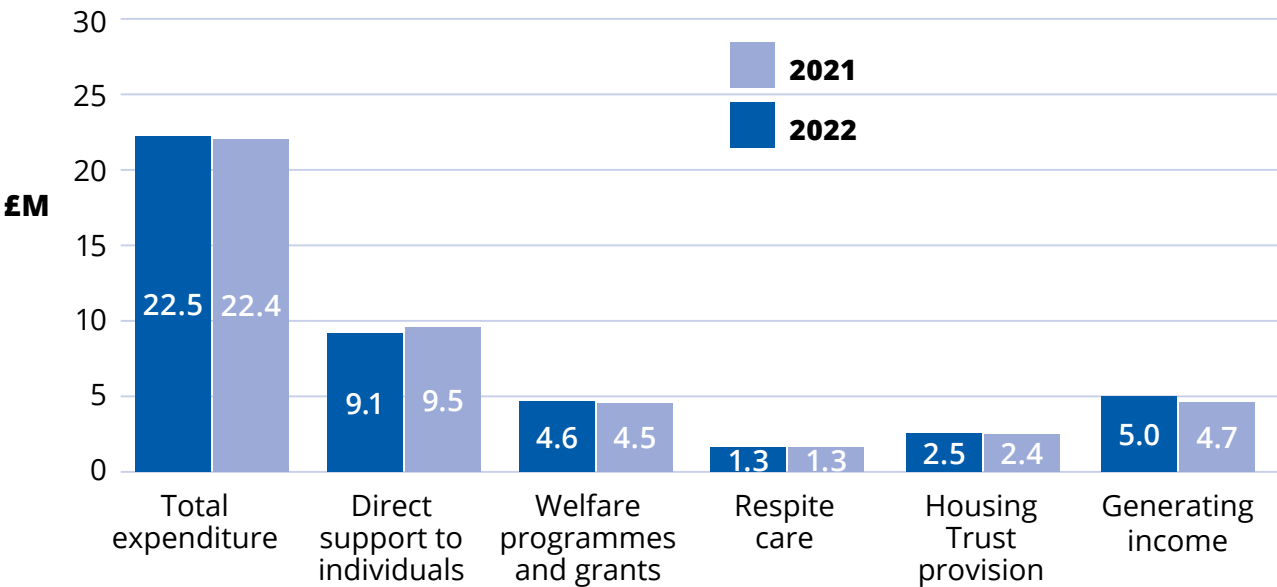
Our charitable activities undertaken to provide welfare support and services to the RAF Family cost £17.5M (2021: £17.7M). This total includes support costs of £3.2M (2021: £3.3M).

The £17.5M included expenditure on direct support to individuals (2022: £9.1M/2021: £9.5M), welfare programmes and external grants (2022: £4.6M/2021: £4.5M), housing support (2022: £2.5M/2021: £2.4M) and respite care (2022: £1.3M/2021: £1.3M).

Wellbeing was the area that saw the largest single increase in support, with the main drivers being our Listening and Counselling Service and Headspace. Our wellbeing services, available to both serving personnel and veterans and delivered through contracts with other organisations, cost £1.1M (2021: £888K). Grant funding to support the veteran community was £476K (2021: £399K) and grant funding to the serving RAF was £255K (2021: £197K).

The cost-of-living crisis drove an increase in the number of working-age RAF Family members we supported financially in the year. Through our subsidiary the Dependants Fund, we paid £360K (2021: £280K) in death grants.

EXPENDITURE £22.5M



In 2021 housing support expenditure increased to £2.4M from £1.6M in 2020 due to Covid-related backlogs driving up demand for assistance and the shortage of building materials driving up costs. In 2022 the high volume and costs of property repairs continued to have an impact and housing support cost us £2.5M. In addition, we invested £0.9M in property purchases and adaptations. In providing this support we continued to focus on RAF Family members with the highest needs.

On the whole, our welfare support continues to be more complex than our expenditure shows.

Our ability to raise funds is critical to ensuring we are sustainable for the future. Three main areas of focus for us in 2022 were to increase our number of active donors, to grow our corporate and individual relationships, and to receive an optimum return on our investment in fundraising.

Income generation cost us £5.0M (2021: £4.7M), a £0.3M/7% increase on the previous year. The amount spent includes £1.5M support costs (2021: £1.4M). While we spent more year-on-year on raising funds, our 2022 expenditure was less than we planned. Staffing issues, mainly connected with

recruitment challenges, created vacancies and curtailed activity. For every £1 we spent on fundraising we received £3.54 in the year (2021: £3.66).

Support costs cover expenditure on management, IT, facilities, finance, HR, governance and information security. They also include the depreciation of fixed assets. This expenditure, which was allocated as mentioned above, came to £4.7M (2021: £4.8M), representing 21% of total expenditure and a 2% decrease from the previous year.

HOUSING AND LOANS

Through our subsidiary the RAF Benevolent Fund Housing Trust Limited, we provide bespoke housing solutions, at affordable rents, for service personnel who are medically discharged from the RAF and are unable to secure suitable accommodation. The rent we received in 2022 equated to just under 55% of the open market rent of these properties. We consider the income forgone to be a charitable expenditure, supporting the RAF Family members most in need. This effectively amounts to a subsidy of around £0.8M based on the £1M rent received. The Housing Trust owned 193 properties on 31

December 2022 (2021: 203). We purchased and adapted two new properties (2021: six) in the year, at a cost of £0.9M (2021: £2.1M) and sold 12 properties (2021: eight) realising £3.8M (2021: £2.2M) in sales proceeds and £2.1M (2021: £1.3M) in net gain.

We awarded £333K (2021: £131K) in new secured loans to RAF Family members. The interest we charge is much below market rates and we determine repayments on the basis of ability to repay the loan. We received £819K in loan repayments in 2022 (2021: £815K). The total value of loans to beneficiaries at the end of the year was £7.5M (2021: £7.9M). We proactively review our loan book to ensure that the value is not impaired, and we assess and report the recoverability of balances fairly.

INVESTMENTS

We invest to preserve the real value of funds we hold and to generate income that helps us support the RAF Family. We do so by adopting a managed, diversified portfolio that generates an appropriate return at acceptable levels of risk.

Our primary investment objectives are:

- To hold investments in a manner that will help us deliver our objectives in the short, medium and long term
- To earn a return of CPI plus 5%, ensuring that real capital value is preserved, and sufficient income is generated to contribute to funding our activities
- To measure overall performance against an agreed market-derived benchmark and use an industry-wide peer group benchmark to assess performance against the average
- To employ investment managers who generate low costs and develop relatively stable portfolios which meet the objectives of this strategy in the long term.

BlackRock Investment Management (UK) Limited and CCLA Investment Management Limited have managed our long-term portfolios since 2016. In 2019 we appointed Close Brothers Asset Management to

manage a bespoke portfolio invested in quality short-dated bonds to match our short- to medium-term cash requirements. Our primary medium-term objective is to ensure our cash requirements are met without undue exposure to investment risk, while still achieving good returns.

In 2022 assets held with fund managers were valued at £71.1M (2021: £82.6M). Income yield from these investments was £2.3M (2021: £2.2M).

2022 proved to be one of the most challenging market environments for investments in many years, leading to significant negative returns. The key challenges were high inflation, restrictive central bank policies, geopolitical tensions, a potential European energy crisis and the impact of all these on economic growth.

Our funds managed by BlackRock are held in the Armed Forces Charities Growth and Income Fund, a Charity Authorised Investment Fund (CAIF). This fund aims to provide a net return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and income received from those assets. The value of our investments in this fund on 31 December 2022 was £19.2M (2021: £22.3M). The fall in value was due to market losses.

Over the year a net negative return of -10.6% (2021: 13.1%) was achieved compared to the benchmark negative return of -8.3% (2021: 12.9%). Total return over the five years to 2022 was 4.0%, compared to the benchmark return of 3.4%. Dividend yield in the 12 months to 31 December 2022 was 3.8% (2021: 3.2%).

Our funds managed by CCLA are held in COIF Charities Investment Fund. This fund is designed to provide capital growth and rising income over time. The portfolio is invested mainly in equities but also includes other asset classes and aims to provide a return that is even-handed between present and future beneficiaries.

The value of our investments in this fund on 31 December 2022 was £41.7M (2021: £47.2M). The fall in value was due to market losses.

Over the year, a negative net return of -9.0% (2021: 17.4%) was achieved against a negative return benchmark of -10.1% (2021: 17.0%). Total return annualised over the five years to 2022 was 7.5%, compared to the benchmark return of 4.3%. Dividend yield in the 12 months to 31 December 2022 was 3.0% (2021: 2.7%).

Assets held and performance indicators of our two long-term portfolios are summarised in the table below:

	BlackRock	CCLA
Value of assets invested	£19.2M	£41.7M
2022 income yield	3.8%	3.0%
2022 total return	-10.6%	-9.0%
2022 benchmark	-8.3%	-10.1%
Five-year total return	4.0%	7.5%
Five-year benchmark	3.4%	4.3%

Asset class breakdown as at 31 December 2022:

	CCLA	BlackRock
	%	%
Global equities	59.2	29.0
UK equities	9.2	26.8
Fixed income	4.9	16.6
Property	3.3	7.9
Cash and near cash	10.2	-
Infrastructure and operating assets	8.4	-
Private equity and others	2.7	-
Contractual and other income	2.1	-
Alternatives	-	19.7
	100.0	100.0

Our funds managed by Close Brothers Asset Management are invested in a low-risk bespoke portfolio of short-dated, high-quality corporate bonds with a maturity profile to meet liquidity requirements. The time horizon of the portfolio (the length of time money is expected to be invested) based on when and how much money is needed has determined the investment strategy. Since the inception of this portfolio all maturities have been met and the income paid in line with original expectations and requirements. By the end of 2022, the three-year time horizon of the portfolio was nearing its end. The value of the portfolio on 31 December 2022 was £10.2M (2021: £13.1M). The net yield on this portfolio in the year was 1.2% (2021: 0.4%).

The RAF Benevolent Fund is the sole Trustee of The Royal Air Force Disabled Holiday Trust (DHT). The DHT held property investments valued at £552K at the year end (2021: £546K). These assets are used to provide affordable breaks to DHT members.

Unrealised market losses on investments at the year end were £8.7M (2021: gains of £6.6M).

PENSION DEFICIT

Under FRS 102 the closed defined benefit pension scheme had a deficit of £3.1M (2021: £13.5M). The actuarial valuation of the scheme, updated to reflect funding progress, as at 31 October 2021 revealed a funding shortfall (Technical Provisions minus value of assets) of £8.6M. To eliminate this updated funding shortfall, the Staff Pension Fund Trustee and the Fund agreed that the Fund would pay deficit funding contributions to the scheme of £100K per month from 1 January 2021 until 31 October 2028. £1.2M was paid in 2022. The next triennial valuation will be as at 31 December 2023.

RESERVES

Total funds as at 31 December 2022 were £124.1M (2021: £122.0M). These comprised of unrestricted funds of £113.0M (2021: £109.2M), while restricted and endowment funds were £11.1M (2021: £12.8M).

Unrestricted reserves included operational assets of £34.6M (2021: £36.8M), designated funds of £27.9M (2021: £29.1M) and free reserves of £50.5M (2021: £43.3M).

Our commitment to support the RAF Family is a long-term one. It remains as firm today as it was in 1919. We will continue to stand beside the RAF Family for the next 100 years, through all of life's challenges and hardships. To honour this, we continue to take a risk-based approach to determining our free reserves minimum requirement. We must ensure funds are available to meet the demand for our welfare services and to secure, as far as possible, future financial viability. We continue to manage the risks associated with our 2022-2026 Shaping The Future strategy. These include the uncertainty of future income, particularly where we have realistic but ambitious targets, the timing of cash receipts from legacies and increasing welfare demand. We have also factored in our discretionary commitment to the Dependants Fund.

Free reserves as of 31 December 2022 were £50.5M (2021: £43.3M). The main reason for this increase is the £10M reduction in the pension deficit based on the FRS 102 valuation at the end of 2022. Trustees have determined that at this time, we should hold a minimum of £40M in free reserves to be assured that we are able to sustain the support we provide to the RAF Family in these unprecedented times and in the long term, as well as meet other obligations, irrespective of fluctuations in income and market conditions.

Designated funds were £27.9M (2021: £29.1M). £12.8M of this is funds to be spent on bringing forward welfare services included in our 2022-2026 strategic plan, so we can help beneficiaries earlier and

augment our core welfare offer, including respite, in response to identified need. Setting funds aside for our welfare provision continues to be important as we implement our strategy and achieve its goals in the current economic context of increased costs and a possible recession. This level of reassurance helped us move quickly to develop and launch our initiative offering up to £520 towards energy bills to RAF Family members in need during 2022.

£1.2M of the fund set aside for pension deficit recovery contributions up until October 2028 was paid out in the year, leaving a balance of £7.0M at the end of 2022 (2021: £8.2M).

£7.2M (2021: £8.1M) reserves of the Dependants Fund are set aside to meet our commitment to support RAF personnel who are subscribers to the Fund. The Dependants Fund reserves fell by £886K (2021: £1.1M gain) due to the £893K (2021: £958K gain) decline in the market value of investments and a £7.6K operating surplus (2021: £131K).

Restricted funds representing the unspent balance of funds received for specific charitable activities were £5.1M (2021: £5.9M). The largest single restricted fund of £2.8M (2021: £3.0M) is for the maintenance and upkeep of the Bomber Command Memorial.

Endowment funds include both permanent and expendable funds and were £6.0M (2021: £6.9M). These funds represent income donated to the Fund, but subject to the condition that the capital remains unspent. The decrease in the value of the fund was due to the £972K investment market loss at the end of the year (2021: £611K gain).

The Trustees are assured that we have adequate resources to continue to operate for the foreseeable future and we therefore continue to adopt the going concern basis in preparing our financial statements.

STRUCTURE, MANAGEMENT, GOVERNANCE AND RISK

REFERENCE AND ADMINISTRATIVE DETAILS

The Royal Air Force Benevolent Fund has the Charity Commission registration number 1081009. As we own/lease land and properties in Scotland, we are also registered with the Office of the Scottish Charity Regulator (OSCR) to comply with the Charities and Trustee Investment (Scotland) Act 2005. Our registration number is SCO38109. Our restricted and endowed funds have a separate registration number, 207327.

In accordance with Section 96 of the Charities Act 1993 (now replaced by Section 20 of the Charities Act 2011), the Charity Commission has stipulated that the two charities, having the same charity Trustees, are to be treated as a single charity.

We are also registered as a Royal Charter Company with the Companies House registration numbers ZC000201/RC000773.

The RAF Benevolent Fund Group also encompasses other entities – you can find details of these at the back of this report. We carry out some of our activities through these organisations.

STRUCTURE AND GOVERNANCE

The Fund, which was set up in 1919, was incorporated by Royal Charter in 1999. Trustees are appointed by our Council for a four-year term. They are then eligible for re-election for up to a further four-year term. Trustees may not hold office for a continuous period of more than eight years without the consent of our Board.

Our Board of Trustees is made up of no fewer than 10 and no more than 15 Trustees. In 2022 we undertook a skills audit of our existing Trustees so we could understand

if we had any gaps in skills, background or experience we needed to fill to help us meet our strategic and operational goals.

Following this, and after a series of open selection campaigns, a selection panel (convened by our Nominations Committee) interviewed and recommended five new Trustees to join us in September 2022. Alongside our existing Trustees who have backgrounds, skills and experience in industry, law, commerce and other sectors, our five new Trustees include a serving Trustee, Trustees with lived RAF experience, a new Safeguarding Lead Trustee and a communications Trustee. Our Council (Advisory) formally elected these new Trustees in December 2022.

Throughout 2022, our Board (either as a whole or via its committees) continued to receive ongoing briefings and training from senior management and external advisers in critical areas such as risk management, reserves, fundraising practices, safeguarding and data protection.

We reviewed the terms of reference for our Safeguarding Lead Trustee (who changed during the year) in 2022. This Trustee advises our Board on all safeguarding matters and ensures that we comply with all legal and good practice requirements around safeguarding. We also reviewed the terms of reference for our Senior Independent Trustee (who also changed on 1 April 2023).

Our Board of Trustees is responsible for setting our strategy and policies so we can achieve our charitable objectives, as set out in our Royal Charter. It is also responsible, through its committees, for monitoring the activities of our Executive Leadership Team, led by our Controller. It does this by reviewing our progress against our strategic and business plans and receiving reports from the committees and the Executive

Leadership Team. Our Board also conducts annual performance reviews of our Controller and the Chair of the Board, and undergoes its own periodic Board appraisal. Our Controller, as our Chief Executive, is responsible for the day-to-day management of our affairs.

Our Board met four times in full session in 2022. It also met separately for an away-day strategy session.

During the year our Board Committees were:

- Finance, Audit and Investments Committee
- Fundraising, Communications and Engagement Committee
- Major Grants Committee
- Nominations Committee
- Remuneration Committee
- Small Grants Committee (dissolved in December 2022)
- Welfare and Safeguarding Committee.

We would like to say thank you to all our committee members for their advice and guidance during the year.

MANAGING RISK

Our Board of Trustees has overall responsibility for managing the risks the charity and its subsidiary entities face. Our Board delegates this responsibility, in part, to its committees. They receive regular reports and provide recommendations and updates to the Board about risks within their remit.

Our Board discusses strategic risk each time it meets. Our Executive Leadership Team also regularly assesses and manages risk. We undertook a fundamental review of our management of risk in 2022. The review has given us the resilience and agility to effectively manage uncertainty, make informed decisions, understand and minimise threats, seize opportunities and, most importantly, make the maximum possible positive impact on the RAF Family.

The strategic risks we face are:

Income and financial sustainability

We acknowledge we may be unable to raise sufficient income to cover what we need to fund the RAF Family's current and future welfare needs. We also acknowledge that the current economic climate and cost-of-living pressures could impact our fundraising in the short term.

We are mitigating this risk by focusing on growing our supporter database and developing our individual and corporate relationships.

We aim to deliver our core and augmented welfare offering within affordable budgets ensuring that all our work aligns with our strategic aims. We also have a robust risk-based reserves policy which we monitor regularly and review as appropriate.

Meeting the needs of the RAF Family

Our ability to continue to meet the RAF Family's needs could be affected by the performance of the third-party organisations we rely on to provide services, our own failure to deliver effective and timely support, a rise in demand for our welfare services, or a lack of understanding of the RAF Family affecting our ability to deliver services that meet their needs.

We mitigate this risk by continuing to strengthen our local community engagement and focusing on making the journey to receiving our support smoother through our Welfare Navigator and Welfare Support Executive programmes. We now have greater direct involvement with caseworking and have introduced an online application system to speed up the process for making small financial assistance applications. When awarding contracts to third-party suppliers we only work with those who share our values and have built in regular oversight of performance.

We use data and analysis to understand the needs of the RAF Family and the environment we work in. We also continue to engage closely with our sister charities to avoid overlap and competition as well

as promote collaboration and partnership working where possible.

Safeguarding and duty of care

We are committed to providing a safe and respectful environment for everyone who engages with us, whether it is the RAF Family, supporters, employees, contractors or volunteers. A failure in our safeguarding processes could result in harm and significant damage to our reputation.

We recognise that our new strategy includes getting closer to the people we support, which inherently increases the risk of a safeguarding concern.

We mitigate this risk by making sure we have a robust safeguarding policy in place, which is cross referenced with our other policies and independently audited every three years. Safeguarding training for staff and Trustees is mandatory and we have a Safeguarding Lead Trustee on our Board.

Information and data security

The nature of our work means we process large volumes of personal data. There are risks inherent in doing this, including human error, failure to ensure secure data transfer, inadequate storage or inappropriate retention of data, ineffective business continuity and disaster recovery, and cyberattacks.

We mitigate these risks by making sure our policies and procedures are up-to-date, compliant with legislation and the Information Commissioner's requirements and embedded with our staff. In 2022 we achieved Cyber Essentials Plus certification. Our staff all have to undertake annual mandatory training on data protection and the UK General Data Protection Regulation (GDPR).

Governance and compliance with regulatory requirements

Our risks here include failure to comply with necessary legal requirements, apply best practice, adopt the Charity Governance Code or keep up-to-date with changes in legislation.

We mitigate these risks through training and development, including inductions for new Trustees. Our Head of Governance keeps abreast of changes and implications for the Fund, as do a number of other subject matter experts among our staff.

Fund capability: people, leadership and culture

Staff turnover, recruitment and retention were key risks for the Fund in 2022. We mitigated these by keeping abreast of employment market conditions and reacting accordingly, including monitoring salaries and making sure our remuneration policy remained relevant and was complied with. We ensure our recruitment processes were effective, from advertising to selection and job offers and remain committed to developing our staff. We have a comprehensive benefits package in place and review this annually.

REMUNERATION POLICY AND REVIEW

We continue to be strongly committed to recruiting, developing and retaining staff with the right skills and knowledge to deliver our objectives and with the ability to make a positive contribution. We believe making effective decisions around remuneration and reward is crucial to achieving our overall aims.

Our remuneration policy centres on rewarding employees in a fair, equitable and transparent way, and aiming to pay competitively against our relevant competitors in the third sector.

We focus on a 'total reward' approach, recognising that broader aspects of employment offers including non-financial benefits such as flexible working and development opportunities, as well as the values we uphold as an organisation, are of increasing value to employees.

Our Remuneration Committee reviews our remuneration policy each year to make sure we are adhering to its principles and that

those principles are still appropriate. The committee also reviews our pension and broader reward provision and considers an annual pay award. The committee uses external expert analytics and benchmarks to make its recommendations, which it then submits to our Board of Trustees for approval.

We aim to match, where appropriate and affordable, competitive salaries based on current market conditions for any role.

In August 2022 our Remuneration Committee met to consider a one-off cost-of-living payment for eligible staff. This was subsequently approved by our Board in August 2022.

In reviewing salary recommendations for 2023, our Trustees considered the impact of a number of factors on staff, including the ongoing economic climate and rising inflation. As a result a 3% annual pay award was agreed alongside a further one-off cost-of-living award, both of which were paid in January 2023.

PRINCIPAL PROFESSIONAL ADVISERS

Independent external auditor
Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

**Independent internal auditor
(appointed 6 March 2023)**
MHA MacIntyre Hudson
6th floor, 2 London Wall Place
London EC2Y 5AU

Bankers
Barclays Bank plc
1 Churchill Place
London E14 5HP

Actuary
Broadstone Corporate Benefits Limited
55 Baker Street
London W1U 7EU

Solicitors
Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Investment managers
BlackRock Investment
Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

Close Brothers Asset Management
55 Grosvenor Street
London W1K 3HY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Our Trustees are responsible for preparing our Trustees' Report and our financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires our Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and the group and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, our Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

Our Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time our financial position and enable them to ensure that the financial statements comply with the Charities Acts 2011 and 2022, the Charities and Trustee Investment (Scotland) Act

2005 and the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

They are also responsible for safeguarding our assets and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Fund's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

TRUSTEE DECLARATION

Trustees hereby approve the 2022 Annual Report on 27 June 2023.



Richard Daniel BSc (Hons) FRAeS
Chair, Royal Air Force Benevolent Fund

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Royal Air Force Benevolent Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise of the consolidated statement of financial activities, the consolidated and charity balance sheets, the 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 affairs of the group and the parent charity at 31 December 2022 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;
- Have been prepared in accordance with the requirements of the Charities Act 2011; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- The information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- The parent charity has not kept proper and sufficient accounting records; or

- The parent charity's financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of Trustees' responsibilities set out on page 37, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent charity 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.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with informed management and updating our understanding of the sector in which the group and parent charity operates.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or had knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting

from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charity's Trustees 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 parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street, London EC4V 4BE

Date: 24 July 2023

Saffery Champness LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

Consolidated statement of financial activities

For the year ended 31 December 2022

	Note	2022				2021			
		Unrestricted funds	Restricted funds	Endowed funds	Total	Unrestricted funds	Restricted funds	Endowed funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from									
Donations and legacies		15,430	901	-	16,331	15,028	685	-	15,713
Charitable activities		1,134	-	-	1,134	1,030	20	-	1,050
Other trading activities		399	-	-	399	547	19	-	566
Investments		2,480	225	-	2,705	2,268	216	-	2,484
Other income		3,284	-	-	3,284	5,715	-	-	5,715
Total income	2	22,727	1,126	-	23,853	24,588	940	-	25,528
Expenditure on raising funds									
		5,000	13	-	5,013	4,683	19	-	4,702
Expenditure on charitable activities									
Direct support to individuals		8,541	512	-	9,053	8,970	513	-	9,483
Welfare programmes and grants		4,111	449	-	4,560	4,199	312	-	4,511
Respite care		1,104	217	-	1,321	1,163	114	-	1,277
Housing Trust support		2,256	281	-	2,537	2,318	68	-	2,386
		16,012	1,459	-	17,471	16,650	1,007	-	17,657
Total expenditure	3	21,012	1,472	-	22,484	21,333	1,026	-	22,359
Net income/(expenditure) before gains on investments		1,715	(346)	-	1,369	3,255	(86)	-	3,169
Transfers between funds		47	(47)	-	-	4	(4)	-	-
Net (losses)/gains on investments	11	(7,358)	(322)	(972)	(8,652)	5,790	221	611	6,622
Net income/(expenditure)		(5,596)	(715)	(972)	(7,283)	9,049	131	611	9,791
Other recognised gains and losses:									
Actuarial gains/(losses) on defined benefit pension scheme	15	9,441	-	-	9,441	2,266	-	-	2,266
Net movement in funds		3,845	(715)	(972)	2,158	11,315	131	611	12,057
Total funds brought forward		109,174	5,859	6,930	121,963	97,859	5,728	6,319	109,906
Total funds carried forward	23	113,019	5,144	5,958	124,121	109,174	5,859	6,930	121,963

The notes on pages 45 to 77 form part of the financial statements. All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

Consolidated and charity balance sheets

As at 31 December 2022

	Note	Group 2022	Group 2021	Charity 2022	Charity 2021
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	35	187	35	187
Tangible assets	10	27,073	28,663	4,630	4,878
Investments	11	71,639	83,114	64,847	75,429
Loans to beneficiaries	12	7,486	7,948	7,486	7,948
		106,233	119,912	76,998	88,442
Current assets					
Stock		5	3	-	-
Debtors and prepayments	13	10,027	10,623	19,409	21,763
Cash at bank and in hand		13,494	7,449	10,936	5,633
		23,526	18,075	30,345	27,396
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	14	(2,582)	(2,559)	(2,164)	(2,101)
Net current assets		20,944	15,516	28,181	25,295
Net assets excluding long-term liabilities and pension liability		127,177	135,428	105,179	113,737
Defined benefit pensions liability	15	(3,056)	(13,465)	(3,056)	(13,465)
Total net assets		124,121	121,963	102,123	100,272
Funds					
Endowment funds		5,958	6,930	5,958	6,930
Restricted funds		5,144	5,859	5,144	5,859
Designated funds		27,911	29,062	20,735	21,000
General funds		88,164	93,577	73,342	79,948
Pension reserve		(3,056)	(13,465)	(3,056)	(13,465)
	23	124,121	121,963	102,123	100,272

Approved by the Board of Trustees on 27 June 2023 and signed on its behalf by



Richard Daniel BSc (Hons) FRAeS

Chair, Board of Trustees

Consolidated statement of cash flows

For the year ended 31 December 2022

	2022	2021
	£'000	£'000
Net cash used in operating activities	(3,764)	(8,829)
Cash flows from investing activities		
Dividends and interest from investments	2,705	2,484
Proceeds from the sale of property	4,735	10,097
Purchase of property and equipment	(940)	(2,143)
Net proceeds from sale of investments	2,823	1,763
Net cash provided by investing activities	9,323	12,201
Cash flows from financing activities		
Loans awarded	(333)	(131)
Loan repayments	819	815
Net cash provided by financing activities	486	684
Change in cash and cash equivalents in the year	6,045	4,056
Cash and cash equivalents as at 1 January	7,449	3,393
Cash and cash equivalents as at 31 December	13,494	7,449
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for the year ended 31 December	(7,283)	9,791
Adjustments for:		
Depreciation charges and amortisation	1,000	1,031
Gains on investments	8,652	(6,622)
Income attributable from joint venture	-	-
Dividends and interest from investments	(2,705)	(2,484)
Profit on the sale of fixed assets	(3,053)	(5,502)
Loan interest	(96)	(43)
Loans converted to grants	15	4
Loans written off less provision	57	-
Decrease/(increase) in stock	(2)	3
(Increase)/decrease in debtors	596	(3,350)
(Decrease)/increase in creditors	23	(857)
Pension interest expense	232	200
Pension fund costs	(1,200)	(1,000)
Net cash used in operating activities	(3,764)	(8,829)
Analysis of cash and cash equivalents		
Current accounts	13,494	7,449
Total cash and cash equivalents	13,494	7,449

Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	£'000	£'000	£'000
Cash – current accounts	7,449	6,045	13,494

	At 1 January 2021	Cash flows	At 31 December 2021
	£'000	£'000	£'000
Cash – current accounts	3,393	4,056	7,449

NOTES TO THE FINANCIAL STATEMENTS

1 Principal accounting policies FOR THE YEAR ENDED 31 DECEMBER 2022

These are the financial statements of the Royal Air Force Benevolent Fund and its related entities. The Charity was incorporated by Royal Charter in England and Wales on 24 November 1999. Our Trustees are named on page 3. Our registered office is 67 Portland Place, London W1B 1AR.

ACCOUNTING CONVENTION

These financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the 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 (Charities SORP (FRS 102)), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 as amended

BASIS OF PREPARATION

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in Note 27.

FUNCTIONAL CURRENCY

The Charity's functional and presentational currency is GBP and is shown as £'000s in the financial statements.

GOING CONCERN

The Trustees have assessed whether the use of the going concern basis is appropriate. They have reassessed the business plans, income and expenditure projections, and taken the Charity's reserves levels into account. Their conclusion is that there is no doubt about the Charity's ability to continue operating as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of approving the financial statements and are assured that the Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

FUND ACCOUNTING

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and that have not been designated by the Trustees for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim

and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against specific funds. The aim and use of the larger restricted funds is set out in the notes to the financial statements.

Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while Trustees have the power to convert expendable funds into income. These funds are set out in Note 26. The return on endowment investments is made up of income earned and gains or losses in the market value of the investments.

Income generated from endowment funds is spent on charitable activities. Investment income and gains are allocated to the appropriate fund.

RECOGNITION OF INCOME

Income is recognised in the SOFA when the Charity becomes entitled to it, it is more likely than not that the income will be received, and the monetary value of the income can be estimated with sufficient accuracy. Entitlement to legacy income is assumed when there is sufficient evidence that a gift has been left to the Charity, usually through the notification of a Will. Receipt of legacy income is deemed probable when there has been a grant of probate, and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Charity or uncertainty around receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

RECOGNITION OF EXPENDITURE

Expenditure is recognised in the SOFA on an accrual basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more than likely that payment will be paid in settlement.

Two main categories of expenditure shown in the SOFA are expenditure on raising funds and expenditure on charitable activities. Expenditure on raising funds includes all expenditure incurred to raise voluntary income to spend on charitable purposes as well as investment management fees. Expenditure on charitable activities includes all costs incurred by the Charity in carrying out its charitable aims to support the beneficiaries of the RAF Benevolent Fund.

SUPPORT COSTS

Support costs have been classified as: information technology and facilities, depreciation, general management and administration, finance and payroll, HR and governance. These costs have been allocated to activities on a basis consistent with the use of resources, and indirect costs have been apportioned on a headcount basis or in proportion to direct costs or income.

GRANT COMMITMENTS

Grants awarded are expensed in the SOFA in the year in which they are approved by the Trustees and the offer is conveyed to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet.

DEPRECIATION

Tangible fixed assets costing more than £1K (£5K in the RAF Benevolent Fund Housing Trust Ltd) are capitalised and included at cost, including any incidental expense of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

- Freehold land – nil
- Freehold buildings – over 50 years
- Leasehold buildings – over the life of the lease, or 50 years if shorter
- Leasehold improvements – over 30 years
- Project and office equipment – over five years
- Computer equipment – over three years
- Motor vehicles – over five years.

A full year's depreciation is provided in the year of asset acquisition, and none in the year of disposal.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Software is classified as an intangible fixed asset and is capitalised where the cost plus incidental expenses incurred in acquisition is more than £1K.

Amortisation is provided on intangible fixed assets to write off the capitalised value on a straight-line basis over three years. A full year's amortisation is provided in the year of asset acquisition, and none in the year of disposal.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

RELATED PARTY DISCLOSURES

The Charity has made the required disclosures in accordance with the Charities SORP (FRS 102).

Transactions with group undertakings are eliminated on consolidation.

INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Income receivable on investments is recognised in the SOFA on the accruals basis.

JOINT VENTURE

The RAF100 Appeal (Registered Charity 1167398; Company Registration: 9977273) was formed to bring the four major RAF charities and the RAF itself together to mark the centenary of the RAF with a programme of events. To assist with providing initial working capital, the Fund and the other RAF charities each provided a £25K short-term interest-free loan to the RAF100 Appeal which has been subsequently repaid. On completion of the joint venture project any surplus reserves have been distributed as agreed among the joint venture partners.

This company was dissolved on 4 April 2023, having served its purpose.

STOCK

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

PENSION COSTS

Pensions are accounted for in accordance with FRS 102 Section 28, with a valuation undertaken by an independent actuary for the defined benefit scheme, the Royal Air Force Benevolent Fund Staff Pension Fund, which is closed to future accrual. Net pension finance income or costs are included

immediately in other income or employee costs as appropriate.

Actuarial gains and losses are recognised immediately on the face of the SOFA. The scheme deficit is included as a liability in the balance sheet. Details of the pension scheme are included in Note 15 to the accounts.

The amounts charged to the SOFA for defined contribution schemes represent the contributions payable in the period.

FINANCE AND OPERATING LEASES

The Charity does not have any finance leases. Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred on a straight-line basis.

LOANS

Loans are awarded to beneficiaries in furtherance of charitable activities. The particular circumstances of each case will determine whether or not the loan is awarded free of interest. When interest is charged the rate is considerably lower than prevailing market rates. Loans are recognised as assets at the value of the award. Accrued interest, where applicable, is recognised as income and added to the balance of the loan. Repayments are made as provided in the loan agreement. To facilitate the relief of hardship and distress, the commencement of repayments can be deferred.

FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset,

with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See Notes 13 and 14 to the accounts.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives – The annual depreciation charge for property and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Loans – Specific provision has been made against five loans where there is a high risk of non repayment.

Pension scheme deficit – The underlying assumptions used by the actuary in valuing the scheme are in accordance with FRS 102 and based on assumptions recommended by the actuary.

2 Income and endowments

	Unrestricted	Restricted	Total 2022	Unrestricted	Restricted	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies						
Royal Air Force service personnel	1,588	-	1,588	1,576	-	1,576
General donations	2,549	511	3,060	2,419	198	2,617
Government grants (Job Retention Scheme, DFG)	-	43	43	34	-	34
Legacy income	11,293	347	11,640	10,999	487	11,486
	15,430	901	16,331	15,028	685	15,713
Charitable activities						
Housing	1,024	-	1,024	964	20	984
Respite care	14	-	14	23	-	23
Loan interest	96	-	96	43	-	43
	1,134	-	1,134	1,030	20	1,050
Other trading activities						
Income from fundraising events	252	-	252	400	19	419
Trading income	147	-	147	147	-	147
	399	-	399	547	19	566
Investment income						
Dividends from pooled funds	2,379	225	2,604	2,268	216	2,484
Interest earned	101	-	101	-	-	-
	2,480	225	2,705	2,268	216	2,484
Other income						
Profit on the sale of fixed assets	3,053	-	3,053	5,502	-	5,502
Pension interest income	215	-	215	213	-	213
RAF100 distribution	16	-	16	-	-	-
	3,284	-	3,284	5,715	-	5,715
Total income	22,727	1,126	23,853	24,588	940	25,528

The profit on the sale of fixed assets in 2021 included the profit on the sale of Princess Marina House of £4.2M. The 2022 figure includes profit on sale of £0.9M for disposal of our Edinburgh office.

3 Analysis of expenditure

	Direct costs	External grants	Support costs	Total 2022	Direct costs	External grants	Support costs	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	2,841	-	1,485	4,326	2,378	-	1,405	3,783
Regional engagement	317	-	-	317	495	-	-	495
Other trading activities	32	-	-	32	121	-	-	121
Investment management fees	338	-	-	338	303	-	-	303
	3,528	-	1,485	5,013	3,297	-	1,405	4,702
Charitable activities								
Direct support to individuals	8,146	-	907	9,053	8,013	-	1,470	9,483
Welfare programmes and grants	865	2,814	881	4,560	751	2,956	804	4,511
Respite care	879	-	442	1,321	1,105	-	172	1,277
Housing Trust support	1,599	-	938	2,537	1,487	-	899	2,386
	11,489	2,814	3,168	17,471	11,356	2,956	3,345	17,657
Total expenditure	15,017	2,814	4,653	22,484	14,653	2,956	4,750	22,359

See Note 22 for analysis of welfare programmes and grants relating to external grants.

4 Analysis of support costs

	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	598	375	364	182	135	1,654
Depreciation and amortisation	144	86	84	42	642	998
General management and administration	160	96	93	47	35	431
Finance	355	213	207	104	77	956
HR	126	76	74	37	27	340
Governance	102	61	59	30	22	274
Total	1,485	907	881	442	938	4,653

	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	507	505	297	84	102	1,495
Depreciation and amortisation	136	109	82	40	663	1,030
General management and administration	129	125	74	22	26	376
Finance and payroll	274	319	152	10	47	802
HR	139	161	77	5	23	405
Governance	220	251	122	11	38	642
Total	1,405	1,470	804	172	899	4,750

5 Staff costs

	2022	2021
	£'000	£'000
Wages and salaries	4,864	5,155
Social security costs	557	576
Pension costs	649	509
Termination and redundancy costs	9	172
	6,079	6,412

Prior year staff costs include termination and redundancy costs for 100 employees who worked at Princess Marina House.

The number of employees whose pay and benefits (excluding pension contributions) amounted to more than £60,000 in the year was as follows:

	2022	2021
	No.	No.
£60,001–£70,000	4	6
£70,001–£80,000	4	4
£80,001–£90,000	1	1
£90,001–£100,000	-	-
£100,001–£110,000	1	1
£110,001–£120,000	1	2
£120,001–£130,000	-	2
£130,001–£140,000	1	-
	12	16

11 employees (2021: 15) whose pay and benefits amounted to more than £60,000 in the year were members of the Group Personal Pension Plan, a money purchase scheme.

The Fund introduced a salary sacrifice scheme in 2022 which has increased the pension contributions in comparison with 2021.

The average number of employees, calculated on a headcount basis, analysed by function was:

	2022	2021
	No.	No.
Charitable activities	64	56
Cost of generating funds	24	36
Governance, administration and support	21	25
	109	117

6 Key management personnel

The key management personnel of the RAF Benevolent Fund are the Trustees and the Executive Leadership Team (ELT). The ELT comprises of the Controller, the Director of Resources, the Director of Grants, Services and Programmes, the Director of Fundraising and the Director of Strategy and Impact. Total employee pay and benefits received by ELT for services to the Charity in 2022 were £583K (2021: £601K).

7 Net expenditure

	2022	2021
	£'000	£'000
Net expenditure for the year is stated after charging:		
Amounts paid for audit services (including VAT):		
Audit fees (current year)	74	64
Audit fees (prior year under accruals)	12	-
Corporation tax services	2	1
Investment management fees	338	303
Amortisation of intangible assets	161	168
Depreciation	839	863
Operating leases	57	48
(Profit) on disposal of fixed assets	(3,053)	(5,502)

8 Trustees' remuneration

The Trustees neither received nor waived any emoluments during 2022 (2021: £nil).

Out-of-pocket expenses were reimbursed to Trustees as follows:

	2022	2021	2022	2021
	No.	No.	£	£
Travel and accommodation	9	5	5,413	1,209

9 Intangible assets

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Software costs				
Cost on 1 January	2,533	3,457	2,533	3,457
Additions during the year	9	81	9	81
Disposals during the year	-	(1,005)	-	(1,005)
Cost at 31 December	2,542	2,533	2,542	2,533
Amortisation at 1 January	(2,346)	(3,183)	(2,346)	(3,183)
Amortisation for the year	(161)	(168)	(161)	(168)
Depreciation on disposals during the year	-	1,005	-	1,005
Accumulated amortisation at 31 December	(2,507)	(2,346)	(2,507)	(2,346)
Net book value 31 December	35	187	35	187

10 Tangible fixed assets

	Group 2022			Charity 2022		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	38,903	362	39,265	7,267	362	7,629
Additions during the year	931	-	931	47	-	47
Disposals during the year	(2,106)	-	(2,106)	(160)	-	(160)
Cost at 31 December	37,728	362	38,090	7,154	362	7,516
Depreciation at 1 January	(10,240)	(362)	(10,602)	(2,389)	(362)	(2,751)
Depreciation for the year	(839)	-	(839)	(228)	-	(228)
Depreciation on disposals during the year	424	-	424	93	-	93
Accumulated depreciation at 31 December	(10,655)	(362)	(11,017)	(2,524)	(362)	(2,886)
Net book value 31 December 2022	27,073	-	27,073	4,630	-	4,630

	Group 2021			Charity 2021		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	43,565	2,340	45,905	12,703	2,340	15,043
Additions during the year	2,062	-	2,062	5	-	5
Disposals during the year	(6,724)	(1,978)	(8,702)	(5,441)	(1,978)	(7,419)
Cost at 31 December	38,903	362	39,265	7,267	362	7,629
Depreciation at 1 January	(11,528)	(2,318)	(13,846)	(3,920)	(2,318)	(6,238)
Depreciation for the year	(863)	-	(863)	(230)	-	(230)
Depreciation on disposals during the year	2,151	1,956	4,107	1,761	1,956	3,717
Accumulated depreciation at 31 December	(10,240)	(362)	(10,602)	(2,389)	(362)	(2,751)
Net book value 31 December 2021	28,663	0	28,663	4,878	0	4,878

10 Tangible fixed assets (cont)

	2022		2021	
	Property	Equipment	Property	Equipment
	£'000	£'000	£'000	£'000
Net book value at 31 December is analysed as follows:				
Gulf Trust Fund (restricted fund)	124	-	124	129
RAFBF respite homes	441	-	441	403
Headquarters – London	4,065	-	4,065	4,346
Charity	4,630	-	4,630	4,878
RAFBF Housing Trust Ltd	22,443	-	22,443	23,785
Group	27,073	-	27,073	28,663
The net book value of properties comprises:				
Freehold	26,680		28,269	
Long leasehold	393		394	
	27,073		28,663	

Properties held by the RAF Benevolent Fund Housing Trust Ltd support charitable activities. Properties are held so that beneficiaries including wounded, injured or sick personnel who have been medically discharged from the RAF can live in suitable, usually heavily adapted accommodation. Properties are stated at historical cost and depreciated as per the policy stated in Note 1.

11 Fixed asset investments

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Market value as at 1 January	83,114	78,255	75,429	71,528
Additions	514	8,547	514	8,547
Withdrawals	(3,337)	(10,310)	(3,295)	(10,256)
Net investment gains	(8,652)	6,622	(7,801)	5,610
Market value at 31 December	71,639	83,114	64,847	75,429
Total fixed asset investments	71,639	83,114	64,847	75,429
Investments are represented by:				
Listed investments	63,201	79,797	56,409	72,112
Cash holdings in investments	7,886	2,771	7,886	2,771
RAF Disabled Holiday Trust Bonds	552	546	552	546
Total	71,639	83,114	64,847	75,429

The Charity is the only Trustee of the RAF Disabled Holiday Trust whose net assets to the value of £552K are included within investments. Also included is the Charity's share capital in the RAFBF Trading Co Ltd of £1, the results of this subsidiary entity are shown in Note 26.

12 Loans to beneficiaries

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at 1 January	7,948	8,593	7,948	8,593
New loans	333	131	333	131
Interest charged	96	43	96	43
	8,377	8,767	8,377	8,767
Repayments	(819)	(815)	(819)	(815)
Loans converted to grants	(15)	(4)	(15)	(4)
Bad debts written off	(5)	-	(5)	-
Provision for loan conversion	(52)	-	(52)	-
Balance at 31 December	7,486	7,948	7,486	7,948

The Fund offers loans in cases where grant assistance is not appropriate or not possible. They enable asset-rich but cash-poor beneficiaries to remain in their homes. Loan interest is charged depending on the nature of the case at a rate substantially below commercial rates. All but £70K (2021: £91K) of the Fund's loans are secured by legal charges on the properties of the beneficiaries. The majority of loans have no fixed repayment date and are normally repayable from the beneficiary's estate. A specific provision for loan conversion has been allowed for where there is a high risk of non repayment.

13 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Legacies	9,214	9,901	9,167	9,901
Inter company balance	-	-	9,559	11,253
Other debtors	626	576	537	462
Prepayments	187	146	146	147
	10,027	10,623	19,409	21,763

14 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	485	628	479	612
Taxation and social security costs	265	191	258	184
Accruals for grants payable	1,324	1,471	1,068	1,159
Other creditors	508	269	359	146
	2,582	2,559	2,164	2,101

15 Pension commitments

The Royal Air Force Benevolent Fund pension arrangements are as follows:

A Group Personal Pension Scheme made up of a collection of individual pension plans arranged by the Fund is provided by an insurance provider. This service has been provided by Royal London since November 2016. The liability of the employer is limited to the contributions it makes which amounted to £649K (2021: £509K) of which £56K remained payable at the year end (2021: £nil).

The RAF Benevolent Fund Staff Pension Fund is a defined benefit scheme. The scheme was closed to new members on 31 August 2005 and was closed to future accrual on 1 April 2014. The most recent actuarial valuation was carried out as at 31 December 2021. Under the schedule of contributions agreed as part of the actuarial valuation as at 31 December 2021, the employer paid £1.2M during 2022 (2021: £1M). The new deficit contribution plan agreed that the employer would make contributions at the rate of £100K per month until 31 October 2028.

	2022	2021
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(27,338)	(39,680)
Fair value of plan assets	24,282	26,215
Net defined benefit liability	(3,056)	(13,465)
The amounts recognised in the SOFA are as follows:		
Net interest expense on net defined benefit liability	232	200
Total pension expense recognised in the SOFA	232	200
Reconciliation of defined benefit obligation over the year		
Defined benefit obligation as at 1 January	(39,680)	(41,561)
Interest expenses on defined benefit obligation	(703)	(511)
Remeasurement – effect of experience adjustments gain	(2,113)	317
Remeasurement – effect of changes in assumptions loss	13,875	762
Benefits paid	1,283	1,313
Defined benefit obligation as at 31 December	(27,338)	(39,680)
Changes in the fair value of plan assets over the year:		
Fair value of plan assets as at 1 January	26,215	25,030
Interest income on plan assets	471	311
Remeasurement – return on plan assets excluding interest income gain	(2,321)	1,187
Contributions by employer	1,200	1,000
Benefits paid	(1,283)	(1,313)
Fair value of plan assets as at 31 December	24,282	26,215
Return on plan assets	(1,850)	1,498

15 Pension commitments (cont)

Remeasurements recognised in SOFA

Remeasurement – effect of experience adjustments gain	(2,113)	317
Remeasurement – effect of changes in assumptions gain/(loss)	13,875	762
Remeasurement – return on plan assets excluding interest income gain	(2,321)	1,187

Total remeasurement gain/(loss) recognised in SOFA	9,441	2,266
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	2022		2021	
	£'000	%	£'000	%
Assets:				
Target Return Fund	23,472	96.7%	25,744	98.2%
Cash/other	810	3.3%	471	1.8%
	24,282	100%	26,215	100%

	2022	2021
Principal actuarial assumptions at the balance sheet date :		
Discount rate	4.6%	1.8%
RPI inflation rate	3.2%	3.5%
CPI inflation rate	2.6%	2.9%
Increases to pensions in deferment (CPI max 5%)	2.6%	2.9%
Increases to pensions in payment (CPI max 5%)	2.6%	2.8%
Commutation (% of pension)	25%	25%
Mortality – base table	S3PA	S3PA
Mortality – allowance for future improvements	CMI	CMI
	2021	2020
	1.0% LTR	1.0% LTR
Life expectancies from age 63:		
Male currently aged 63	86.6	86.6
Female currently aged 63	89.1	89.0
Male currently aged 43	87.7	87.6
Female currently aged 43	90.2	90.2

Amounts for current and previous four periods are as follows:

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(27,338)	(39,680)	(41,561)	(37,767)	(34,526)
Fair value of plan assets	24,282	26,215	25,030	24,039	22,231
Deficit	(3,056)	(13,465)	(16,531)	(13,728)	(12,295)

16 Related party disclosure

Donations to the value of £1,025 (2021: £505) were received from individual Trustees in the year. Details of all inter-company transactions are shown in Note 27 on subsidiary entities. There were no other related party transactions.

17 Ultimate controlling party

The Trustees do not consider there to be an ultimate controlling party.

18 Capital commitments

There are no major planned capital commitments for 2023.

19 Analysis of group net assets between funds

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2022	2021	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible, intangible fixed assets	26,984	28,721	124	129	-	-	27,108	28,850
Investments	63,067	73,248	2,600	2,922	5,972	6,944	71,639	83,114
Loans to beneficiaries	7,486	7,948	-	-	-	-	7,486	7,948
Current assets	20,601	14,807	2,420	2,808	505	460	23,526	18,075
Current liabilities	(2,063)	(2,085)	-	-	(519)	(474)	(2,582)	(2,559)
Pension liability	(3,056)	(13,465)	-	-	-	-	(3,056)	(13,465)
Total net assets	113,019	109,174	5,144	5,859	5,958	6,930	124,121	121,963

20 Operating leases

At 31 December 2022 the group had total annual commitments under non-cancellable operating leases, all for office equipment and vehicles as follows:

	2022	2021
	£	£
Payments due: office equipment and vehicles		
Within one year	36,388	61,629
Within two to five years	47,740	47,468
Total	84,128	109,097

21 Contingent liability

The last triennial valuation of the Staff Pension Fund (SPF) identified a deficit of £12.275M as at 31 December 2021, on an agreed prudent funding basis. The Charity is required to enter into a Recovery Plan to extinguish the deficit. The plan commits the Charity to making annual payments of £1.2M until the earlier of 31 October 2028 or such date as when the deficit is extinguished.

The Trustees of the RAF Benevolent Fund have granted a legal mortgage over the Charity's head office at 67 Portland Place and 45 Devonshire Close, London, in favour of the Trustees of the SPF.

This charge is to secure future payments from the Charity to the SPF to extinguish the deficit. The obligation secured by the mortgage is in accordance with applicable statutory requirements. The Trustees have also complied with the requirements of Section 124 of the Charities Act 2011 to obtain and consider proper advice.

A formal valuation of the property which is held on a long lease (virtual freehold) interest, was carried out in August 2019 and the market value was placed at £11M. This property is shown at a net book value of £4.0M in the balance sheet.

22 Welfare programmes and external grants

	2022	2021
	£	£
GRANT FUNDING TO THE SERVING ROYAL AIR FORCE		
Station grants		
603 (City of Edinburgh) Squadron RAuxAF	1,100	500
RAF Akrotiri	600	35,500
JHC FS Aldergrove	9,800	-
RAF Benson	-	500
RAF Boulmer	600	-
MOD Boscombe Down	1,000	500
RAF Brize Norton	54,620	26,694
Cheltenham JSSU	500	-
RAF Coningsby	13,520	500
RAF Cosford	6,000	500
RAF College Cranwell	1,400	6,500
Defence Animal Training Regiment	-	4,739
RAF Digby	3,700	250
RAF Episkopi	-	3,416
BFSAI Falklands	500	-
RAF Fylingdales	1,000	500
RAF Gibraltar	3,312	-
Grantown-on-Spey RRC	300	-
RAF Halton	3,200	4,974
RAF Henlow	3,500	500
RAF High Wycombe	1,700	500
RAF Honington	12,802	79,541
RAF Leeming	7,000	-
RAF Lossiemouth	1,700	500
RAF Marham	900	500
RAF Northolt	9,400	14,008

	2022	2021
	£	£
RAF Odiham	1,700	500
RAF Scampton	4,536	500
RAF Shawbury	1,000	-
MOD St Athan	1,000	-
RAF St Mawgan	10,500	-
RAF Valley	19,500	9,994
RAF Waddington	16,495	500
DMS Whittington	300	-
RAF Wittering	51,100	2,000
MOD Worthy Down	3,970	3,000
Worthy Down DCLPA	300	-
RAF(U) Swanwick	500	-
41 Op REIMAGE & 103 Op ILKANE	2,960	-
One YMCA for three RAF stations	3,000	-
	255,015	197,116

TOTAL GRANT FUNDING TO THE SERVING ROYAL AIR FORCE	255,015	197,116
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CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE

Airplay programme

RAF stations – youth support programme	1,066,201	1,250,497
RAF stations – Ben Play parenting and play parks	-	58,621

	1,066,201	1,309,118
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General support

RAF Families Federation	15,000	15,000
Relate – Building Stronger Families	-	3,000

	15,000	18,000
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Grant refund (RAF Shawbury)	(348,000)	-
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TOTAL CONTRACTED SERVICES TO THE SERVING ROYAL AIR FORCE	733,201	1,327,118
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TOTAL GRANTS AND CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE	988,216	1,524,234
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CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES

Wellbeing partnerships

Headspace (mental wellbeing)	72,675	67,511
Silver Line/Age UK	137,705	144,419
Work Stress Management (listening and counselling)	539,999	335,889
Manage Health (listening and counselling)	228,435	272,532
Relate (young people listening and counselling)	65,658	43,130
PAM (listening and counselling)	93,411	-
GamCare (gambling support)	-	2,400
Workshop and coaching	12,000	22,300

	1,149,883	888,181
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	2022	2021
	£	£
Relationship support		
Relate – relationship counselling/mediation	199,792	144,665
TOTAL CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	1,349,675	1,032,846
GRANTS FUNDING TO THE VETERANS' COMMUNITIES		
AFCFT grant (Op Unite)	42,708	-
Age Concern Spain – ACASA	5,000	10,000
Alabare Christian Care Centres	-	13,000
Bridge For Heroes	4,000	-
British Embassy Slovakia	-	3,120
British Nuclear Tests Veterans Association	-	3,000
Care After Combat	5,000	-
Combat Stress	87,813	76,000
Czech Veterans	-	-
Defence Medical Welfare Service	13,000	13,000
Fares4Free	5,000	-
Farm-Able Foundation	-	4,000
Fighting With Pride	17,000	17,000
Goodwill Solutions – The Learning Academy	-	-
ILM Highland	-	-
Improving Lives Plymouth	5,000	-
International Bomber Command Memorial	-	150
Medical Emergency Response Team (MERT) Club	-	6,000
Military Wives Choir Foundation	7,500	-
National Gulf Veterans and Families Association	5,000	7,500
Not Forgotten Association	-	7,500
On Course Foundation	2,500	3,000
PAFA	-	750
Polish Veterans	-	4,680
Poppy Scotland – ASAP	15,000	20,000
Project Propeller	(5,000)	-
RAF Widows' Association	34,015	-
Royal Commonwealth Ex-Services League (includes support towards caseworking costs)	38,214	20,000
Save The Skymaster	-	3,500
Scotty's Little Soldiers	8,000	-
Slovak Western Front Army Veterans Widows	1,560	-
Spinal Injuries Association	-	-
SSAFA, the Armed Forces Charity (includes support towards caseworking costs)	20,550	30,720
Stoll	-	12,000
Team Endeavour Racing	-	-
The Gwennili Trust	-	-
The Ripple Pond	-	-
Turn To Starboard	5,000	-
Veterans Outreach Support	9,000	-

	2022	2021
	£	£
Waterloo Uncovered	1,800	1,800
We Are With You	10,000	-
Widows Association of Great Britain	-	-
Workplace Chaplaincy Scotland	-	2,500
	337,660	259,220
Employment support		
The Poppy Factory	15,000	-
HighGround	-	-
Regular Forces Employment Association	50,000	62,436
Walking With The Wounded	10,000	7,000
The Warrior Programme	5,000	8,000
	80,000	77,436
Housing support		
Broughton House	18,000	18,000
Lord Kitchener's Memorial Holiday Centre	7,000	-
Royal British Legion Industries	-	2,000
Veterans Aid	15,000	15,000
Queen Elizabeth Hospital Birmingham Hospital Charity – Fisher House	-	10,000
	40,000	45,000
Residential and respite care		
Care for Veterans	18,000	15,000
The Curphey Home	-	2,000
	18,000	17,000
TOTAL GRANT FUNDING TO THE VETERANS' COMMUNITY	475,660	398,656
TOTAL GRANT AND CONTRACTED SERVICES PAYMENTS TO THIRD PARTIES	2,813,551	2,955,736
Total contracted services	2,082,876	2,359,964
Total discretionary grants	730,675	595,772
TOTAL COST OF SUPPORT THROUGH GRANT AND CONTRACTED SERVICES	2,813,551	2,955,736

23 Statement of funds

	At 1 January 2022	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2022	Charity at 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	93,577	21,383	(19,178)	(6,465)	(1,153)	88,164	73,342
Designated funds – see Note 24	29,062	1,344	(1,602)	(893)	-	27,911	20,735
Pension reserve	(13,465)	-	(232)	9,441	1,200	(3,056)	(3,056)
Total unrestricted funds	109,174	22,727	(21,012)	2,083	47	113,019	91,021
Restricted income funds – see Note 25	5,859	1,126	(1,472)	(322)	(47)	5,144	5,144
Endowment funds – see Note 26	6,930	-	-	(972)	-	5,958	5,958
Total funds	121,963	23,853	(22,484)	789	-	124,121	102,123

	At 1 January 2021	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2021	Charity at 31 December 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	96,986	24,193	(19,329)	4,832	(13,105)	93,577	79,948
Designated funds – see Note 24	17,404	395	(1,804)	958	12,109	29,062	21,000
Pension reserve	(16,531)	-	(200)	2,266	1,000	(13,465)	(13,465)
Total unrestricted funds	97,859	24,588	(21,333)	8,056	4	109,174	87,483
Restricted income funds – see Note 25	5,728	940	(1,026)	221	(4)	5,859	5,859
Endowment funds – see Note 26	6,319	-	-	611	-	6,930	6,930
Total funds	109,906	25,528	(22,359)	8,888	-	121,963	100,272

Unrestricted funds

The sum of £27.9M (2021: £29.1M) is included in unrestricted funds and relates to the following designated reserves:

£7.2M (2021: £8.1M)

Reserves held by the RAF Dependants Fund to relieve immediate financial distress in the event of the death of a subscriber by giving a tax-free grant, payable at the discretion of the Fund

£7.0M (2021: £8.2M)

Pension deficit recovery contributions based on a revised recovery plan to pay £100K per month up to October 2028

£12.8M (2021: £12.8M)

Enhanced welfare provision to (1) advance our strategic ambitions (2) enhance our welfare delivery and (3) build on our success

£935K (2021: nil)

Property fund to be used to maintain the Fund's presence in Scotland as required

The transfer of £1.2M (2021: £1M) from general reserves to the pension reserve represents the Fund's contribution paid into the defined benefit pension scheme in the year. In addition £47K was transferred into general reserves representing capital works for the Bridlington holiday cottage, which was completed from restricted reserves.

Restricted income funds – Over £100K

Bomber Command Memorial

Maintenance of the Bomber Command Memorial in Green Park, Piccadilly

Gulf Trust

The funds are held in a ring-fenced fund for the benefit of RAF Gulf War veterans

Lowe Trust

Supports Battle of Britain veterans and their descendants

RAF Disabled Holiday Trust

Providing holidays to severely disabled serving and ex-RAF personnel and their immediate dependants

Afghan Brain Injury

Support to veterans of Afghanistan who have sustained a brain injury

Armed Forces Covenant Fund
Trust (Operation Unite)

To support Afghanistan and Iraq veterans' mental health

Endowment funds – Over £100K

E H Jubb Fund

For the benefit of aircrew, their widows and dependants

Newton Driver Memorial Fund

For the maintenance and upkeep of property used as a home for members of the RAF and their dependants who are convalescent or disabled. If the income cannot be used for this purpose it can be applied for general purposes of the Fund.

Viscount Nuffield Endowment

Income used for general purposes

Hector Pilling Memorial Fund

To provide financial assistance for foundationers at the Duke of Kent School

RAF Prize Trust

To be used for the assistance or benefit, including education, of former or future pilots and navigators and their dependants

RAFBF Educational Endowment
Fund

To promote the education of the children of members of the Royal Air Force

RAFBF Educational Expendable
Fund

To promote the education of the children of members of the Royal Air Force

Peter Henry Slater-Eiggert
Memorial Fund

For the benefit of ex-members and dependants of 83 Squadron

The Revd. James Edmund
Strickland Memorial Fund

For the use of general purposes of the Royal Air Force Benevolent Fund

Douglas Turner Benefaction

To be used for the assistance or benefit, including education, of former or future pilots and navigators and their dependants

24 Designated funds

	At 1 January 2022	Income	Expenditure		Net gains	Transfers	At 31 December 2022
	£'000	£'000	£'000		£'000	£'000	£'000
Pension deficit recovery contributions	8,200	-	(1,200)		-	-	7,000
Enhanced welfare provision	12,800	-	-		-	-	12,800
Property fund for the Scotland office	-	935	-		-	-	935
Total designated funds – Charity	21,000	935	(1,200)		-	-	20,735
RAF Dependants Fund	8,062	409	(1,295)		-	-	7,176
Total designated funds – Group	29,062	1,344	(2,495)		-	-	27,911

	At 1 January 2021	Income	Expenditure		Net gains	Transfers	At 31 December 2021
	£'000	£'000	£'000		£'000	£'000	£'000
Fundraising development and systems upgrade	1,209	-	(391)		-	(818)	-
Investment in Airplay programmes	2,692	-	(1,059)		-	(1,633)	-
New and enhanced welfare services	6,486	-	(46)		-	(6,440)	-
Pension deficit recovery contributions	-	-	-		-	8,200	8,200
Enhanced welfare provision	-	-	-		-	12,800	12,800
Total designated funds – Charity	10,387	-	(1,496)		-	12,109	21,000
RAF Dependants Fund	7,017	395	(308)		958	-	8,062
Total designated funds – Group	17,404	395	(1,804)		958	12,109	29,062

25 Restricted funds

	As at 1 January 2022	Income	Expenditure /transfer	As at 31 December 2022	As at 1 January 2021	Income	Expenditure	As at 31 December 2021
	£	£	£	£	£	£	£	£
Education								
Group Captain W E Purdain Memorial Fund	-	105	(78)	27	100	101	(201)	-
RAF Prize Trust	-	9,221	(6,860)	2,361	-	8,884	(8,884)	-
RAFBF Educational Endowment Fund	19,999	20,759	(19,999)	20,759	-	19,999	-	19,999
RAFBF Educational Expendable Fund	-	5,717	(270)	5,447	2,011	5,518	(7,529)	-
RAFBF Education	-	24,129	(8,435)	15,694	-	23,247	(23,247)	-
Douglas Turner Benefaction	-	4,941	(3,676)	1,265	4,700	4,760	(9,460)	-
	19,999	64,872	(39,318)	45,553	6,811	62,509	(49,321)	19,999
Princess Marina House and respite care								
Princess Marina House Amenities Fund	-	-	-	-	-	-	-	-
Princess Marina House Shencot/Seacot House	-	1,075	(1,075)	-	-	1,030	(1,030)	-
The April Fools' Club – serving respite care	-	-	-	-	-	-	-	-
	-	1,075	(1,075)	-	-	1,030	(1,030)	-
Housing								
Housing Trust General Restricted Fund	78,975	256,010	(253,110)	81,875	-	108,156	(29,181)	78,975
Housing adaptations (Lincoln)	-	-	-	-	-	5,000	(5,000)	-
	78,975	256,010	(253,110)	81,875	-	113,156	(34,181)	78,975
Other								
Bomber Command Memorial	2,955,897	223,708	(394,321)	2,785,284	2,652,758	361,867	(58,728)	2,955,897
Trustee General	-	1,000	(1,000)	-	-	-	-	-
Gulf Trust	450,255	-	-	450,255	430,001	20,254	-	450,255
	3,406,152	224,708	(395,321)	3,235,539	3,082,759	382,121	(58,728)	3,406,152
Welfare programmes								
Aged Veteran Fund	-	-	-	-	230	125	(355)	-
Armed Forces Covenant Fund Trust (Operation Unite)	-	258,916	(55,416)	203,500	-	-	-	-
Airplay	-	85,605	(70,399)	15,206	-	31,000	(31,000)	-
Thrive	9,120	480	(9,600)	-	-	9,120	-	9,120
Mrs H M Jerham Memorial Fund	4,025	1,139	-	5,164	2,928	1,097	-	4,025
RAF stations	-	-	-	-	-	100	(100)	-
Mental health services	-	-	-	-	104	832	(936)	-
The Red Arrows Trust Serving Family Breaks	-	10,000	-	10,000	-	-	-	-
Youth mental health (Lossiemouth)	15,907	14,907	(30,814)	-	-	15,907	-	15,907
MBDA Fund	-	-	-	-	-	-	-	-
Restricted to RAF Valley	32,684	-	(19,000)	13,684	-	42,678	(9,994)	32,684
	61,736	371,047	(185,229)	247,554	3,262	100,859	(42,385)	61,736
Individual welfare								
Advice and Advocacy	-	8,081	(8,081)	-	-	8,966	(8,966)	-
Afghan Brain Injury	227,223	-	-	227,223	226,728	495	-	227,223
Afghan: LIBOR	-	-	-	-	366	-	(366)	-
Various legacies – beneficiaries in Lossiemouth	10,000	-	(775)	9,225	-	10,000	-	10,000
Various legacies – beneficiaries in Scotland	46,846	70,098	(116,944)	-	-	293,131	(246,285)	46,846
RAF Disabled Holiday Trust	569,635	6,134	-	575,769	554,312	15,323	-	569,635
Fulmer Fund	66,102	-	(15,596)	50,506	211,278	-	(145,176)	66,102
Garden maintenance	-	-	-	-	-	-	-	-
General welfare (individual)	-	-	-	-	-	6,600	(6,600)	-

25 Restricted funds (cont)

	As at 1 January 2022	Income	Expenditure /transfer	As at 31 December 2022	As at 1 January 2021	Income	Expenditure	As at 31 December 2021
	£	£	£	£	£	£	£	£
General welfare (mobility aid)	-	-	-	-	-	1,500	(1,500)	-
General welfare (respite and care)	11,505	-	(11,505)	-	-	15,000	(3,495)	11,505
General welfare – Devon, Cornwall and Somerset	-	-	-	-	300	3,600	(3,900)	-
Lowe Trust	572,209	-	-	572,209	572,209	-	-	572,209
Restricted to UK Regions	7,928	600	(8,528)	-	65,030	51,050	(108,152)	7,928
Restricted to UK Regions – veterans 65+	-	37,000	(37,000)	-	-	-	-	-
Financial assistance restricted to UK Regions	-	9,500	(9,500)	-	-	-	-	-
All general Scotland	-	34,000	(34,000)	-	-	-	-	-
All general Yorkshire	-	500	(500)	-	-	-	-	-
Podcast Battle of Britain	-	1,500	-	1,500	-	-	-	-
Veteran independent living Scotland	-	2,000	(2,000)	-	-	-	-	-
Veterans and family in Jamaica	-	1,000	(1,000)	-	-	-	-	-
Social isolation (veterans)	-	15,000	(15,000)	-	-	-	-	-
Care home top-up fees Kent	-	1,000	(1,000)	-	-	-	-	-
Older veterans Norfolk	-	3,000	(3,000)	-	-	-	-	-
Older veterans and dependants Bristol	-	5,000	(2,780)	2,220	-	-	-	-
Elderly veterans and dependants North East	-	2,500	(2,500)	-	-	-	-	-
Financial assistance Sunderland and Co Durham (veterans)	-	3,000	(3,000)	-	-	-	-	-
Mobility equipment North East	-	1,500	(1,500)	-	-	-	-	-
Financial assistance Berkshire	-	1,000	(1,000)	-	-	-	-	-
RAF Family – financial assistance within Oxfordshire	-	500	(500)	-	-	-	-	-
All general Tayside	-	2,000	(2,000)	-	-	-	-	-
Older veterans Birmingham	-	1,000	(1,000)	-	-	-	-	-
Care home top-up fees Yorkshire (veterans)	-	2,000	(2,000)	-	-	-	-	-
Veterans Berkshire	-	1,000	(1,000)	-	-	-	-	-
Independent living Fife (veterans)	-	5,000	(5,000)	-	-	-	-	-
Aged veterans home respite	-	120	(120)	-	-	-	-	-
Independent living (veterans)	-	1,000	(1,000)	-	-	-	-	-
Financial assistance Cumbria	-	300	(300)	-	-	-	-	-
Improving social isolation veterans Scotland	12,974	-	(12,974)	-	-	19,974	(7,000)	12,974
Royal Observer Corps	111,516	-	(16,459)	95,057	58,640	75,000	(22,124)	111,516
Stafford Trust	-	-	-	-	15,120	-	(15,120)	-
	1,635,938	215,333	(317,562)	1,533,709	1,703,983	500,639	(568,684)	1,635,938
Respite care – LIBOR Funds								
Respite care lunch clubs	-	-	-	-	-	-	-	-
Respite care property	128,574	(35,245)	(93,329)	-	135,433	-	(6,859)	128,574
Respite breaks and care hotels	254,413	(184,413)	(70,000)	-	280,324	-	(25,911)	254,413
Contribution to community engagement workers	212,498	111,200	(323,698)	-	431,847	-	(219,349)	212,498
Domiciliary care regular	-	109,298	(109,298)	-	-	-	-	-
Management support	60,472	(840)	(59,632)	-	85,684	-	(25,212)	60,472
	655,957	-	(655,957)	-	933,288	-	(277,331)	655,957
Total restricted funds	5,858,757	1,133,045	(1,847,572)	5,144,230	5,730,103	1,160,314	(1,031,660)	5,858,757

26 Endowment funds

The purpose of funds exceeding £100K is set out under Note 23.

	As at 1 January 2022	Unrealised (loss)	As at 31 December 2022	As at 1 January 2021	Unrealised gain	As at 31 December 2021
	£	£	£	£	£	£
Permanent endowment funds with unrestricted income						
Pilot Officer J P L Branson Memorial Fund	56,475	(7,917)	48,558	51,494	4,981	56,475
Pilot Officer James Erskine Cuning Memorial Fund	53,149	(7,451)	45,698	48,461	4,688	53,149
Flying Officer L S Delaney Trust	15,438	(2,164)	13,274	14,076	1,362	15,438
Paddy Finucane Memorial Fund	23,001	(3,224)	19,777	20,972	2,029	23,001
Louise Alice Kay Memorial Fund	47,515	(6,661)	40,854	43,324	4,191	47,515
Mosquito Memorial Fund	13,352	(1,872)	11,480	12,174	1,178	13,352
Flying Officer Douglas Frank Newsham Memorial Fund	42,421	(5,947)	36,474	38,680	3,741	42,421
Viscount Nuffield Endowment	1,228,074	(172,155)	1,055,919	1,119,759	108,315	1,228,074
Helen Mary Renton Fund	50,128	(7,027)	43,101	45,707	4,421	50,128
RAF Rugby Union Fund	58,952	(8,264)	50,688	53,753	5,199	58,952
Peter Henry Slater-Eiggert Memorial Fund	169,160	(23,713)	145,447	154,240	14,920	169,160
The Revd. James Edmund Strickland Memorial Fund	121,845	(17,080)	104,765	111,098	10,747	121,845
	1,879,510	(263,475)	1,616,035	1,713,738	165,772	1,879,510
Expendable endowment funds with unrestricted income						
Flying Officer William Dron Memorial Fund	2,849	(399)	2,450	2,598	251	2,849
Frederick Eley Fund	5,490	(770)	4,720	5,006	484	5,490
Wing Commander J Higginson Fund	11,213	(1,572)	9,641	10,224	989	11,213
Peter Grattan Holt Memorial Fund	58,436	(8,191)	50,245	53,282	5,154	58,436
E H Jubb Fund	389,211	(54,561)	334,650	354,883	34,328	389,211
Middle East Relief Fund	49,707	(6,968)	42,739	45,323	4,384	49,707
Morley Fund	8,148	(1,142)	7,006	7,429	719	8,148
Orlebar Memorial Fund	9,220	(1,293)	7,927	8,407	813	9,220
Shattock Memorial Scholarship Fund	13,845	(1,941)	11,904	12,624	1,221	13,845
Wooding Memorial Fund	9,877	(1,385)	8,492	9,006	871	9,877
	557,996	(78,222)	479,774	508,782	49,214	557,996
Permanent endowment funds where the use of the income is restricted						
Newton Driver Memorial Fund	2,493,582	(349,558)	2,144,024	2,273,650	219,932	2,493,582
Group Captain W E Purdain Memorial Fund	3,184	(446)	2,738	2,903	281	3,184
RAFBF Educational Endowment Fund	631,452	(88,519)	542,933	575,758	55,694	631,452
Douglas Turner Benefaction	150,307	(21,070)	129,237	137,050	13,257	150,307
	3,278,525	(459,593)	2,818,932	2,989,361	289,164	3,278,525
Expendable endowment funds where the use of the income is restricted						
Mrs H M Jerham Memorial Fund	34,641	(4,856)	29,785	31,586	3,055	34,641
Hector Pilling Memorial Fund	733,992	(102,893)	631,099	669,254	64,738	733,992
RAF Prize Trust	280,499	(39,321)	241,178	255,759	24,740	280,499
RAFBF Educational Expendable Fund	165,697	(23,228)	142,469	151,083	14,614	165,697
	1,214,829	(170,298)	1,044,531	1,107,682	107,147	1,214,829
Total endowment funds	6,930,860	(971,588)	5,959,272	6,319,563	611,297	6,930,860

27 Subsidiary entities

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

	RAFBF Trading Ltd		RAF Dependants Fund		RAF Dependants Income Trust Ltd		RAFBF Housing Trust Ltd		RAF Disabled Holiday Trust		Subsidiary entities	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:												
Donations	-	-	6	44	-	-	118	115	1	2	125	161
Investments	1	-	224	213	1	-	19	-	-	-	245	213
Other trading activities	147	143	-	-	-	-	-	-	-	-	147	143
Charitable activities	-	-	-	-	-	-	998	964	-	-	998	964
Profit on sale of properties	-	-	-	-	-	-	2,140	1,297	-	-	2,140	1,297
Subscriptions	-	-	179	182	35	31	-	-	-	-	214	213
	148	143	409	439	36	31	3,275	2,376	1	2	3,869	2,991
Expenditure on:												
Charitable activities	110	101	360	280	-	-	1,986	1,687	31	24	2,487	2,092
Other trading activities	31	34	-	-	-	-	-	-	-	-	31	34
Management and administration	7	8	42	28	36	31	-	-	-	-	85	67
	148	143	402	308	36	31	1,986	1,687	31	24	2,603	2,193
Net gains/(loss) on investment assets	-	-	(893)	958	-	-	-	-	6	14	(887)	972
Net result of subsidiary	-	-	(886)	1,089	-	-	1,289	689	(24)	(8)	379	1,770

RAFBF Trading Limited

Company number: 07768120

A company set up for the RAF Benevolent Fund to conduct trading in support of its charitable objectives. The Company donated £109,528 to the Fund in 2022 (2021: £101,300). The inter-company balance owed to the Fund at year end was £159,578 (2021: £132,542). The net assets at year end were £1 (2021: £1).

RAF Dependants Fund

Charity number: 253492

A charity with the RAF Benevolent Fund as custodian Trustee. Set up to promote the efficiency of the RAF through relieving dependants of deceased serving personnel from financial distress. There were 19 deaths in 2022 (2021: 16). The death grant was increased from £17,500 to £20,000 in May 2022 in each case. The inter-company balance owed to the Charity at year end was £5,864 (2021: £3,926). The net assets at year end were £7,220,769 (2021: £8,106,464).

RAF Dependants Income Trust Limited

Company number: 01285364

A company set up for RAF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were 10 member deaths in 2022 (2021: 7) and beneficiaries received payments made on behalf of the Trust by the underwriters Aviva. The company donated £nil to the Charity in 2022 (2021: £nil). The inter-company balance owed to the Charity at year end was £5,864 (2021: £5,103). The net assets at year end were £3,339 (2021: £3,339).

RAF Benevolent Fund Housing Trust Limited

Company number: 1058896
Charity number: 264636
Scottish registered number: SCO38218

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to hold and operate properties of beneficiaries of the RAF Benevolent Fund. The inter-company balance owed to the Fund at year end was £9,497,644 (2021: £11,366,322). The net assets at year end were £14,662,567 (2021: £13,373,342).

RAF Disabled Holiday Trust

Charity number: 286019

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to provide holidays to disabled serving and former members of the RAF and their dependants. The Trust purchases holiday bonds which entitles it to book holidays in the UK for its beneficiaries. The inter-company balance owed by the Charity at year end was £49,750 (2021: £19,531). The net assets at year end were £521,779 (2021: £546,124). RAF Benevolent Fund Gift in Kind amounted to £nil (2021: £nil).

SUBSIDIARY ORGANISATIONS

RAF BENEVOLENT FUND HOUSING TRUST LIMITED

Companies House: 01058896
Charity Commission: 264636
OSCR: SC038218

Directors/Trustees:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Patrick Aylmer
Wing Commander Sarah Davis
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(until 28 Mar 2023)
Emrys Rogers

RAFBF TRADING LIMITED

Companies House: 07768120

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Alison Benjamin
Graeme Craig (until 28 Mar 2023)
James Dooley
Air Commodore Paul Hughesdon
(from 28 Mar 2023 until 15 June 2023)
Jason Shauness (until 17 Mar 2023)

RAF DISABLED HOLIDAY TRUST

Charity Commission: 286019

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

RAF DEPENDANTS INCOME TRUST LIMITED

Companies House: 01285364

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Sarah Casemore (until 25 Feb 2022)
Richard Cryer
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(from 28 Mar 2023 until 15 June 2023)
Squadron Leader Clive Martland
(from 30 Sept 2022)
Group Captain Dawn Murty
(from 18 July 2022)

RAF DEPENDANTS FUND

Charity Commission: 253492

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

Management Committee members:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Sarah Casemore (until 25 Feb 2022)
Richard Cryer
Wing Commander Stuart Graham
(from 1 Jan 2022 to 17 Jul 2022)
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(until 28 Mar 2023)
Squadron Leader Clive Alan Martland
(from 30 May 2023)
Group Captain Dawn Murty
(from 18 Jul 2022)

Scheme Manager:

Andy Cairns (until 21 Apr 2023)

RAF BENEVOLENT FUND TRUSTEES LIMITED (DORMANT)

Companies House: 00945083

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Patrick Aylmer
Wing Commander Sarah Davis
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(until 28 Mar 2023)
Emrys Rogers

ROYAL OBSERVER CORPS BENEVOLENT FUND (DORMANT)

Charity Commission: 209640
OSCR: SC037659

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)



Find out more about our
impact and our work at
rafbf.org/impact

Please contact us today if you
need our support.

FREE CALL 0300 102 1919

info@rafbf.org.uk

rafbf.org/help

Royal Air Force Benevolent Fund
67 Portland Place
London
W1B 1AR

The RAF Benevolent Fund is a registered
charity in England and Wales (1081009)
and Scotland (SC038109)



THE ROYAL AIR FORCE BENEVOLENT FUND

England & Wales - Charity number 207327

Accounts

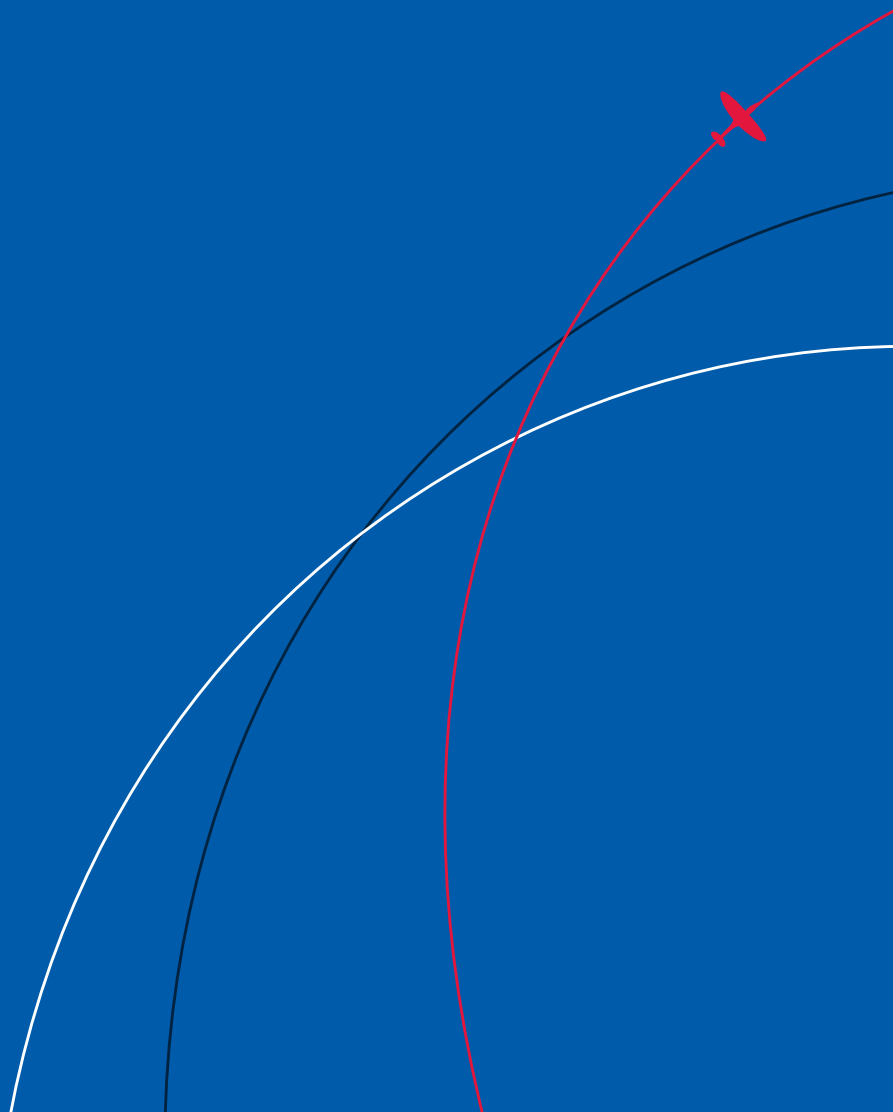


Royal Air Force
Benevolent Fund

ANNUAL REPORT

2021

TRUSTEES' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 DECEMBER 2021



PRINCIPALS, TRUSTEES AND SENIOR MANAGEMENT TEAM

PATRON

Her Majesty The Queen

PRESIDENT

HRH The Duke of Kent KG GCMG GCVO ADC(P)

LIFE VICE-PRESIDENTS

Marshal of the Royal Air Force The Lord Craig of Radley GCB OBE MA DSc FRAeS

Air Chief Marshal Sir Michael Graydon GCB CBE ADC FRAeS

Air Chief Marshal Sir Stephen Hillier GCB CBE DFC ADC MA

Air Chief Marshal Sir Richard Johns GCB KCVO CBE FRAeS

Air Chief Marshal Sir Roger Palin KCB OBE MA FRAeS FIPD

Lady Hillier

VICE-PRESIDENT

John Isabel

COUNCIL

Chair

Lawrie Haynes DEng BA (Hons) FCILTR FRSA (until 28 January 2022)

Richard Daniel BSc (Hons) FRAeS (from 1 February 2022)

Deputy Chair

The Viscount Trenchard of Wolfeton DL

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Members

Air Chief Marshal Sir Michael Wigston KCB CBE ADC RAF

Air Marshal Andrew Turner CB CBE MA MSc BA FRAeS CCMI RAF (until 11 March 2022)

Air Vice-Marshal John Cliffe CB OBE

Frances Brindle MSc BSc (Hons)

David Cheyne MA (Cantab)

Wing Commander Marie-Noelle Orzel OBE QVRM MSc PGDE RGN RSCN

Wing Commander Sarah Davis MBA MSc FCIPD (from 24 January 2022)

Lady Hillier (from 24 January 2022)

Air Marshal Sir Richard Knighton KCB FREng (from 31 May 2022)

BOARD OF TRUSTEES

Chair

Lawrie Haynes DEng BA (Hons) FCILTR FRSA (until 28 January 2022)

Richard Daniel BSc (Hons) FRAeS (from 1 February 2022)

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Trustees

Allyson Arnold MSc BScN (Hons) (from 1 June 2021)

Patrick Aylmer FCA (from 1 June 2021)

Alison Benjamin BA (Hons) (from 1 June 2021)

Frances Brindle MSc BSc (Hons)

David Cheyne MA (Cantab) (Senior Independent Trustee)

Graeme Craig MA

Richard Cryer MA (Cantab) FCA (from 1 June 2021)

Wing Commander Sarah Davis MBA MSc FCIPD

Richard Ingham (until 25 March 2021)

Sarah Meek MBA (from 1 June 2021 to 25 February 2022)

Wing Commander Marie-Noelle Orzel OBE QVRM MSc PGDE RGN RSCN (Safeguarding Lead Trustee)

Graeme Shankland (until 6 July 2021)

Air Vice-Marshal Elaine West CBE (until 23 April 2022)

EXECUTIVE LEADERSHIP TEAM

Controller

Air Vice-Marshal Chris Elliot CB CBE MA BSc DL

Chief of Staff/Director of Governance

Air Commodore Paul Higgins MA BA (Hons) FCILT FCMI (until 3 September 2021)

Director of Finance (Director of Resources from 1 January 2022)

Victoria Fakehinde BSc (Hons) ACMA CGMA

Director of Fundraising and Communications

Mike Straney (until 30 April 2021)

Jason Shauness BEc (Hons) Grad Dip REM (from 24 May 2021)

Director of Welfare

Air Commodore Paul Hughesdon MA

Associate Director of Strategy and Impact

Alison Wyman MSc BSc (Hons) CG (Affiliated) (from 1 January 2022)

Royal Air Force Benevolent Fund Principal and Registered Office

67 Portland Place,
London W1B 1AR

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ALWAYS HERE FOR THE RAF FAMILY

2021 was another year of challenges – but of many successes too, with exciting plans unfolding as we emerged from the pandemic.

For many in the RAF Family, 2021 started at a low point. Another lockdown once again left people facing everything from isolation to financial problems, anxiety to bereavement. We were proud to be there for over 44,600 veterans, serving personnel and their families during those challenging times – and the brighter times that followed as the pandemic eased. Not only did we keep delivering our crucial services despite difficult conditions, we grew and improved many of them, reacting quickly and flexibly to meet everyone's needs.

During such a rollercoaster of a year, it was no surprise that our emotional wellbeing services were in high demand. We were delighted to help over 11,600 RAF Family members through services including counselling and free membership of the Headspace mindfulness app – a 42% rise on 2020. Our Telephone Friendship Groups, which help veterans and their partners meet new people and feel less isolated, also saw a remarkable 23% growth.

We focused strongly on supporting the youngest members of the RAF Family this year. In February we launched our Growing Up in the RAF report, the first research to look exclusively at the wellbeing of children and young people in the UK with RAF parents. We'll use the findings to make the services we offer even better. Our Airplay and Ben Clubs again helped more than 2,000 children and young people on RAF stations enjoy fun and exciting activities. We were also pleased

to enhance our support for the RAF Air Cadets in 2021. We supported 88% more children and young people through our specialist counselling service compared to 2020 too.

We continued to be there for RAF Family members experiencing financial difficulties, giving out almost 3,000 grants totalling £3M to help with everything from paying unexpected bills to providing regular support for pensioners. We also continued our important work giving grants to support RAF Family members to live independently and with dignity.

We are very proud of our achievements in such a difficult climate. But they were only possible due to the huge generosity of our supporters. Thanks to you, we managed to raise £16.3M to support the RAF Family in 2021 – £2.2M more than last year. We are so grateful to every one of our donors and fundraisers for helping get the RAF Family through their toughest times.

Now we look to the future with optimism. At the beginning of 2022 we were delighted to launch our new strategy, Shaping The Future. Guiding our work through to 2026, it sets out how we're going to improve access to personalised support for the RAF Family, as well as enhancing their quality of living, wellbeing and independence. We are delighted to welcome our new chair Richard Daniel to lead this work, and thank our outgoing chair Lawrie Haynes for his eight successful years of leadership.

For over 100 years, we have been the RAF's most devoted friend, supporting the whole of the RAF Family – from the oldest veteran to the youngest child. Together, we will continue to be here for the RAF Family in 2022 and beyond.

Air Vice-Marshal Chris Elliot
CB CBE MA BSc DL
Controller
RAF Benevolent Fund

Richard Daniel BSc (Hons)
FRAeS
Chair
RAF Benevolent Fund

AIMS, OBJECTIVES AND VALUES

OUR VISION

Our vision is that everyone in our RAF Family – veterans, serving personnel and their families – gets support in their hour of need.

// In 2018 my wife Kim died of cancer. The Fund has stepped up for me and our children ever since. People often say the Fund is the heart of the RAF Family. I can absolutely say that's true."

Sqn Ldr Steve Debling



OUR PURPOSE

Our purpose is to be here for every member of the RAF Family in need – listening, understanding and providing life-changing practical, emotional and financial support.

WHAT WE DO

People who have served in the RAF are trained to be self-reliant. They don't want to make a fuss and they don't want to be a burden. So all too often, when life gets tough, they suffer in silence.

We don't believe anyone who has served their country should have to struggle through life. We're the RAF Benevolent Fund, and we're here to support veterans, serving personnel and their families when they need it most.

From counselling and financial support to adapting homes or replacing boilers, from the big challenges to the small changes, we can help people live with the dignity and independence they deserve.

OUR VALUES

Empathetic – we listen and seek to understand, standing side-by-side with the RAF Family.

People-focused – we put people at the heart of everything we do.

Responsive – we do what we say we will, and use evidence and insight to adapt to changing needs.

Inclusive – we work hard to ensure everyone feels valued and supported, and make ourselves accessible.

Innovative – we are forward leaning and encourage new ideas and approaches to remain relevant.

PUBLIC BENEFIT

When reviewing the Fund's aims and objectives, and in planning future activities and policies, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging.

All of our services are either free or heavily subsidised. Where we ask for contributions, for example towards the costs of living in one of our Housing Trust properties or respite breaks, we always take beneficiaries' means into account. No member of the RAF Family should be prevented from accessing our services because they can't afford the full cost.

By giving grants to other charities, we also enable them to maximise their public benefit in support of the RAF Family.

OUR STRUCTURE

We carry out some of our activities through the following subsidiaries:

- RAF Benevolent Fund Housing Trust Limited
- RAF Dependants Fund
- RAF Dependants Income Trust Limited
- RAF Trading Limited
- RAF Disabled Holiday Trust
- Royal Observer Corps Benevolent Fund.

PROGRESS AGAINST OUR STRATEGIC AIMS

Back in 2017, we set out an exciting five-year strategy. It was a great success, helping us be there for significantly more members of the RAF Family in their toughest times.

However, in 2020, the Covid-19 pandemic – alongside other factors – changed the world. The fundraising environment, the charity sector and our ability to deliver our services all underwent significant shifts, and the RAF Family's composition continued to change.

We reacted quickly, retiring our 2017–2022 strategy in November 2020 and resetting our strategic direction so we could better meet the needs of the RAF Family in this new reality.

For 2021, we continued with our short-term strategy to stabilise our operations and adjust to immediate challenges and opportunities. Below are the four aims we set for 2021, and the progress we made against them. We are delighted to say that we achieved the vast majority of our objectives.

We also worked on and launched our new Shaping The Future strategy for 2022–2026, which you can read more about on page 10.

STRATEGIC AIM 1

To effectively support members of the RAF Family in need

We were pleased to support more than 44,600 members of the RAF Family in five key areas in 2021: emotional wellbeing, friendships and connections, family and relationships, independent living and financial assistance. 94% of the people we helped said we made a positive difference to their quality of life. This beat our target of 90%.

The total number of people we supported was down from 63,700 in 2020. This was due to a number of factors. Firstly, in 2020 we stepped up to provide Covid-19-related grants and services for RAF Family members and RAF stations in their time of greatest need. These grants were able to reach a large number of people, but naturally scaled back as the effects of the pandemic lessened in 2021. Furthermore, 2020 saw us help more people because of our successful centenary campaign encouraging RAF Family members to come to us for support. The size of the RAF Family has also continued to decline. The result of all these factors is that the number of people we helped has scaled back to close to its pre-pandemic baseline.

We recruited three new Welfare Navigators in 2021. Their work is focused on making the journey from contacting the Fund to receiving support smoother for anyone who gets in touch. Thanks to our Welfare Navigators, 77% of people who contacted us said they were satisfied with the enquiry process – 7% more than our goal of 70%. Introducing three new Welfare Support Executives to help with more complex cases in September also allowed us to help RAF Family members more effectively, as did upgrading the digital system for managing our cases.

To maximise our impact, in 2021 we focused on building evidence and analysis to help us identify the needs of the RAF Family – and respond to them. We did a full review of how we gather data and insight and made several improvements as a result. We also produced two key pieces of research – one into the wellbeing of children and young people in the RAF Family, and the other with Swansea University into gambling and wellbeing in the RAF. Both gave us interesting insights to help shape our services.

We continued to make RAF Family members aware of our services so they come to us for support. We launched a new website in December, plus several campaigns to promote our welfare services throughout the year. We also introduced a bi-annual newsletter to let RAF Family members know what we can offer and an e-newsletter for serving personnel leaving the RAF. Our branding and information about the Fund continued to feature at RAF stations nationwide too.

You can read about how we supported the RAF Family in more detail from pages 14–19.

STRATEGIC AIM 2

To develop and adopt a more financially sustainable model to support the RAF Family

In 2021 our total income was £25.5M, 33% more than in 2020. This included income from fundraising, investments, charitable activities and asset disposal.

We raised £16.3M from donations and legacies to improve the lives of the RAF Family. This was up 16% on our fundraising total in 2020.

To help us raise more money, we successfully focused on raising awareness of the Fund in the media. The Fund was mentioned more than 2,000 times in newspapers, magazines and in digital and broadcast media in 2021. We also produced podcasts and films to showcase our work.

Another key objective in 2021 was to use evidence, analysis and insight to develop a more affordable programme of services for RAF Family members in need. We agreed this in November 2021 and will put it into practice in 2022.

We also started our drive to reduce deficit budgeting while ensuring that our resources are allocated to impact as many beneficiaries as we can by rationalising support costs across the charity. This led to decisions to outsource some non-core activities and reduce the size of our executive leadership team.

STRATEGIC AIM 3

To protect and enhance our reputation by demonstrating that we are a trusted, inclusive organisation that has our beneficiaries at its heart

In 2021 we continued to deliver successful communications across all audiences that demonstrate how we live our brand values.

Making sure we have strong governance in place is also central to being a trusted, inclusive organisation. During 2021, our executive leadership team and Trustees considered and proactively managed the strategic risks we faced every quarter. We also continued to implement improvements following our 2020 Board effectiveness review.

STRATEGIC AIM 4

To enhance our ways of working, to ensure we are a modern, efficient and effective organisation

In 2021 we started work on embedding data analysis and insight throughout everything we do, so all our decisions are based on evidence. We also improved our HR function and began to implement changes as a result of our diversity audit. We continued work on our new digital strategy, and reviewed our structures, including reducing the number of directors the Fund employs.

Throughout 2021 the country continued to face varying restrictions and guidance related to Covid-19. We worked throughout the year to make sure we adhered to government guidance, and to ensure our systems were robust enough to allow remote working in a secure way.

Another goal this year was to harness opportunities for greater partnership and collaboration with other organisations, where this benefits the people we help. For example, we can now refer enquiries electronically to the Royal Air Forces Association (RAFA) and SSAFA, the Armed Forces Charity, rather than ask the person looking for help to call them and re-tell their story.

We marked the 80th anniversary of the Air Training Corps by collecting stories from those who are serving and who have previously served. We were proud to begin offering an enhanced package of welfare support for the RAF Air Cadets too, including members of the Combined Cadet Force. We now offer cadets support including emotional wellbeing, counselling and bereavement support, as well as financial support if a member is killed, on or off duty. This extends to staff cadets and uniformed volunteers too.

In 2021 we also celebrated the 80th anniversary of the founding of The Guinea Pig Club – a social club formed by a group of young men, mostly RAF aircrew who survived fiery crashes – during the Second World War. We are proud to have supported The Guinea Pig Club since its inception and have helped many of its members over the years. Almost 8,000 people visited our website and almost 2,000 people listened to our podcast to find out more about the Club.

SHAPING THE FUTURE: OUR 2022–2026 STRATEGY

In January 2022, we moved to our Shaping The Future strategy, which will guide us through to 2026.

Our new strategy resets our direction, taking into account the many changes and challenges we have faced since we launched our previous strategy in 2017. It is based on a review of data, research and analysis, and the views of our staff, the people we help and other stakeholders.

CHANGES AND CHALLENGES

The context for our new strategy includes:

- **The changing shape and needs of the RAF Family.** The RAF Family is both ageing and shrinking in number, as many members get older and pass on. As people age, the complexity of their needs often increases. Over the next few years we have an opportunity to continue our focus on supporting older veterans alongside everyone else in the RAF Family. Our research has identified self-care, mobility, relationships/isolation and mental wellbeing as key welfare needs going forward.

- **Covid-19.** The pandemic has had a huge impact on mental wellbeing and social isolation. It's likely these will be two of the most significant areas of need for the RAF Family over the next few years, for people of all ages.
- **Digital.** Over the past decade there has been a trend towards greater digital delivery of services, which Covid-19 has accelerated. This presents opportunities for us to increase our use of data to inform the services we offer, and also to adapt our services so they are digitally accessible.
- **The need to work together with other organisations.** There are five key RAF charities which support the RAF Family, of which we are the largest, and other tri-service charities that play a significant role in supporting the RAF Family. We want to collaborate more with them and other partners within and outside the charity sector to provide the best possible support for the people we help.
- **Financial sustainability.** In recent years we made a deliberate decision to increase our spend and reduce the amount of

money we hold in reserves, to reach and support the older veteran community before they pass on. However, a model that means we consistently spend more funds than we are able to raise is unsustainable. Ensuring our future financial sustainability has become a top priority.

- **The need to improve the RAF Family's journey to getting support.** Our research showed us that more could be done to provide greater practical assistance to help people navigate through their journey to getting support. We began work responding to this in 2021 with our new team of Welfare Navigators taking up their posts.

OUR PURPOSE, VISION AND GOALS

With the above in mind:

Our updated vision is that everyone in our RAF Family – veterans, serving personnel and their families – gets support in their hour of need.

Our updated purpose is to be here for every member of the RAF Family in need – listening, understanding and providing life-changing practical, emotional and financial support.

Our key welfare goals are that RAF Family members in need have:

- Improved access to personalised support
- Improved quality of living
- Increased independence
- Enhanced wellbeing.

FIVE CHANGES FROM 2022–2026

To realise our vision and achieve our purpose and goals, our key aims over the next five years are:

- 1. Providing more hands-on, tailored support to the RAF Family to help them through the journey to support.** We will build on our new Welfare Navigator function to provide support from the initial enquiry and guide the RAF Family through the process, as well as developing supporting technology.
- 2. Strengthening our community engagement** to be present in more communities and engage locally more effectively, including developing a volunteering framework and building a regional caseworking capability.
- 3. Increasing fundraising income** by investing in building our donor database through direct marketing, as well as building long-term, committed relationships with a relatively small portfolio of higher value corporate partnerships and philanthropists.
- 4. Placing a greater focus on insight, impact and innovation** so we can make effective evidence-based decisions at the right time and be proactive about adapting our strategy.
- 5. Developing greater collaboration and partnership working** so we reduce duplication and achieve our aim of being sustainable for the future. Examples of this include working with other organisations to tackle social isolation and scoping the possibility of sharing IT platforms with other service suppliers.

2021: OUR KEY STATISTICS

£17.7M
SPENT REACHING
44,600+
MEMBERS OF THE
RAF FAMILY

£12.5M
SPENT REACHING
21,900+
VETERANS AND THEIR
FAMILIES

£5.2M
SPENT REACHING
22,700+
SERVING PERSONNEL
AND THEIR FAMILIES

WE SUPPORTED
5,500+
PEOPLE BY GIVING
THEM INFORMATION
OR ANSWERING
THEIR ENQUIRY



OUR EMOTIONAL
WELLBEING SERVICES
SUPPORTED
11,600+
PEOPLE



7,300+
PEOPLE WERE
SUPPORTED THROUGH
FINANCIAL GRANTS WE
GAVE TO HELP THEM
THROUGH TOUGH TIMES



WE GAVE
2,500+
PEOPLE ADVICE AND
ADVOCATED FOR THEM
ON ISSUES INCLUDING
BENEFITS AND CARE



94%
SAID WE MADE A
POSITIVE DIFFERENCE
TO THEIR QUALITY
OF LIFE

WE HELPED
9,400+
PEOPLE THROUGH
GRANTS WE
GAVE TO OTHER
ORGANISATIONS



82%
SAID WE MET
ALL OR MOST OF
THEIR NEEDS



WE HELPED
9,700+
PEOPLE THROUGH
GRANTS WE GAVE TO
RAF STATIONS



KEY AIM 1: EMOTIONAL WELLBEING

WE IMPROVE THE RAF FAMILY'S MENTAL WELLBEING

2021 was another turbulent year for many. With the Covid-19 pandemic ongoing, RAF Family members of all ages faced challenges ranging from loneliness, bereavement and ill health through to financial difficulties. Serving personnel also continued to deal with stresses around deployment, family separation and moves between postings.

We were there every step of the way, supporting the RAF Family to navigate through these tough times. In 2021, we expanded many of our emotional wellbeing services, supporting more than 11,600 people to stay well and stay strong – 42% more than in 2020.

HOW WE ACHIEVED THIS

Our Wellbeing Services offer counselling to support people struggling with bereavement, low mood, anxiety and depression. 1,471 sought support from the service in 2021 (up 54% on 2020), and 91% said it had a positive impact on their life. 80% of people helped by one of our delivery partners showed a reliable improvement in their mental wellbeing.

Our specialist counselling service for children and young people aged 5-18 also saw an 88% increase in people supported (from 71 last year to 134 in 2021). 71% of children and young people helped felt the service had positively changed things for them.

For serving personnel and their partners, we offer free membership of Headspace, the meditation and mindfulness app. It provides practical tips and exercises to relieve stress – helping to stop more serious mental health problems developing. Almost 6,000 members of the RAF Family used Headspace in 2021 – a 26% rise on 2020. 94% felt it had a positive impact on their stress levels.

£1M

SPENT ON IMPROVING THE RAF FAMILY'S EMOTIONAL WELLBEING

42%

MORE RAF FAMILY MEMBERS SUPPORTED WITH THEIR EMOTIONAL WELLBEING VS 2020

91%

SUPPORTED BY COUNSELLING THROUGH OUR WELLBEING SERVICES SAID IT HAD A POSITIVE IMPACT

94%

FELT HEADSPACE HAD A POSITIVE IMPACT ON STRESS

71%

SUPPORTED BY OUR SPECIALIST COUNSELLING SERVICE FOR CHILDREN AND YOUNG PEOPLE FELT THE SERVICE HAD A POSITIVE EFFECT



KEY AIM 2: FRIENDSHIPS AND CONNECTIONS

WE MAKE SURE EVERYONE IN THE RAF FAMILY HAS SOMEONE TO TURN TO

Over 85,000 veterans and their partners were estimated to feel lonely, according to our research. Life in the RAF can be isolating for serving members and their families too, with continual moves and deployments. Covid-19 only served to exacerbate these problems for many.

No member of the RAF Family should ever feel alone. An important area of our work is easing isolation and loneliness. Because it's such a vital part of wellbeing, we support everyone in the RAF Family to form friendships and make connections.

HOW WE ACHIEVED THIS

Our Telephone Friendship Groups give RAF veterans and their partners the chance to meet new people and feel less isolated. The groups – which involve up to six RAF Family members meeting weekly on the phone, facilitated by a trained volunteer – grew from 22 to 32 in 2021. And the number of people taking part grew 23% from 246 to 302. 83% of the people surveyed who took part said it had improved their overall sense of happiness. The groups were a lifeline for many during the winter 2021 lockdown.

Also important during the lockdown was our Check and Chat call service, with staff from the Fund regularly calling socially-isolated RAF Family members to see how they were coping. We made over 6,000 calls to 214 people in the first half of the year, before winding down the service as restrictions eased.

Despite Covid-19 restrictions, our Community Engagement Workers helped 164 members of the RAF Family, introducing them to regular meaningful social activities in 2021. We started the year with four Community Engagement Workers in Cambridgeshire, Norfolk, Suffolk and Lincolnshire. In July, two new Workers joined the team in West Sussex and Hampshire.

£562K

SPENT ON HELPING THE RAF FAMILY FIND FRIENDSHIPS AND CONNECTIONS

23%

INCREASE IN PEOPLE TAKING PART IN OUR TELEPHONE FRIENDSHIP GROUPS

83%

SAID OUR TELEPHONE FRIENDSHIP GROUPS HAD IMPROVED THEIR HAPPINESS

6,000+

CHECK AND CHAT CALLS MADE TO 214 ISOLATED RAF FAMILY MEMBERS

164

PEOPLE SUPPORTED BY OUR COMMUNITY ENGAGEMENT WORKERS



KEY AIM 3: FAMILY AND RELATIONSHIPS

WE SUPPORT RAF FAMILIES TO THRIVE

Life in the RAF can be difficult. Frequently moving between postings, deployments overseas and lots of training away from home can heap pressure on relationships. Unfortunately, relationships sometimes break down. RAF veterans can, of course, experience family-related problems too. And life for children of people in the RAF can also be tough.

We offer a range of support to help serving personnel, veterans and their families with the challenges they face, keeping them together and improving their happiness.

HOW WE ACHIEVED THIS

Working with the charity Relate, we offer free relationship counselling and subsidised mediation for members of the RAF Family. In 2021, over 1,000 RAF Family members received relationship support. Of those who completed relationship counselling, 78% of those surveyed said communication with their partner had improved as a result. 71% also reported improvement in managing conflict with their partner.

Thanks to our Airplay and Ben Clubs, more than 2,000 children and young people on RAF stations enjoyed fun and exciting activities in 2021 – 6% more than in 2020. We spent £1.3M on the programmes during the year.

Gambling addiction can blight families' lives. This year, through our relationship with GamCare, we trained welfare staff on RAF stations to improve their understanding of gambling harms to be able to better support those who may be struggling. 95% of attendees said they felt they understood

the signs and symptoms of gambling harms following our workshop.

We also continued our Thrive workshops for partners of serving RAF personnel to improve their wellbeing, resilience, employability and, ultimately, quality of life. 68% of partners who took part showed an improvement in their wellbeing, according to an emotional needs audit we did before and after the course.

When life gets difficult, a break can help a family enormously. We were pleased to restart our wellbeing breaks in 2021, funding 112 people to enjoy UK trips away. 94% of those surveyed said it significantly or somewhat improved the quality of their family or personal relationships.

£1.6M
SPENT ON IMPROVING
LIFE FOR FAMILIES

1,000+
RAF FAMILY MEMBERS RECEIVED
RELATIONSHIP SUPPORT

71%
REPORTED AN IMPROVEMENT IN
MANAGING CONFLICT WITH THEIR PARTNER

94%
OF RAF FAMILY MEMBERS WHO WENT ON A
WELLBEING BREAK SAID IT IMPROVED THEIR
FAMILY OR PERSONAL RELATIONSHIPS

2,000+
CHILDREN AND YOUNG PEOPLE
ENJOYED EXCITING ACTIVITIES AT
OUR AIRPLAY AND BEN CLUBS



KEY AIM 4: INDEPENDENT LIVING

WE HELP RAF FAMILY MEMBERS TO LIVE INDEPENDENTLY AND WITH DIGNITY

Losing independence due to disability, injury or advancing years can be extremely tough. Finding ways to ease this is incredibly important for emotional and mental wellbeing.

We're here to enable people to live full, independent and happy lives in their homes for as long as possible. We can also help with care home fees, so RAF Family members can live in a better standard of home, closer to family and have dignity in retirement.

HOW WE ACHIEVED THIS

In 2021 we gave out £1.8M in 1,865 grants to RAF Family members to pay for mobility, care and disability equipment. 96% surveyed said it contributed to their comfort, and 89% said they used their equipment every day or most days.

We also gave out £815K to repair and adapt housing for RAF Family members. 98% said it contributed to improving their day-to-day life. We spent £220K to help pay for care at home too.

If a care home is needed, we want RAF Family members to be able to stay in a caring, supportive environment, where their dignity is respected. In 2021 we gave £332K in grants to help top up care home fees to make this possible.

We helped 18% fewer people with independent living grants in 2021 compared to 2020, and spent 33% less on grants. We believe this was largely due to ongoing difficulties in getting equipment delivered

quickly, arranging face-to-face assessments and people being averse to entering care homes because of the pandemic.

We specialise in providing advocacy in a number of areas, including care services issues. We can act on behalf and argue in favour of RAF Family members facing problems including getting a care assessment, funding for care and more. We supported 587 people in 2021, with 84% of those surveyed saying it had benefited them or a member of their family.

£4.7M
SPENT ON HELPING THE RAF
FAMILY LIVE INDEPENDENTLY

£1.8M
SPENT ON GRANTS FOR MOBILITY,
CARE AND DISABILITY EQUIPMENT

98%
OF PEOPLE WHO RECEIVED GRANTS
TO PAY FOR PROPERTY REPAIRS OR
ADAPTATIONS SAID IT CONTRIBUTED
TO IMPROVING THEIR DAY-TO-DAY LIFE

587
PEOPLE WERE SUPPORTED
BY OUR ADVOCACY SERVICE

84%
SAID IT HAD BENEFITED THEM
OR A FAMILY MEMBER



KEY AIM 5: FINANCIAL ASSISTANCE

WE'RE THERE FOR THE RAF FAMILY WITH FINANCIAL HELP

From struggling to make pensions stretch far enough to paying for urgent home repairs, money problems can be a source of great stress and worry for some in the RAF Family, especially at the current time.

We're a much-needed financial safety net for veterans, serving members of the RAF, and their families. Our grants and advice on applying for welfare benefits relieve stress, offer peace of mind and allow people to get back on their feet.

HOW WE ACHIEVED THIS

We gave 2,969 individual awards totalling £3M to veterans, serving members of the RAF and their families in 2021. 95% of the people who received a grant said it contributed to improving their overall quality of life. 84% said their need had been fully met or the grant had helped them a lot.

The welfare benefits system can be difficult to get to grips with. Our Benefits Advice Service helps RAF Family members work out what benefits they're entitled to. It can also help with disability benefit appeals. In 2021, we identified £2M in unclaimed benefits. 81% of people who used the service managed to make a successful benefits claim thanks to the advice they received.

In addition, our Legal Advice Helpline, launched last year, helped 163 people in 2021. 74% of those who received support said the advice was of benefit to them.

92% of RAF personnel pay into our Dependants Fund, which provides a tax-free lump sum to their nominated beneficiary in the event of their death. In 2021, we paid out £280K, supporting these families at really challenging times.

£4.7M

SPENT ON SUPPORTING THE RAF FAMILY FINANCIALLY

95%

SAID THEIR GRANT CONTRIBUTED TO IMPROVING THEIR QUALITY OF LIFE

£1M

SPENT TO HELP WITH HOUSE REPAIRS

£203K

SPENT ON FUNERAL COSTS

£508K

SPENT ON REGULAR FINANCIAL HELP FOR PENSIONERS

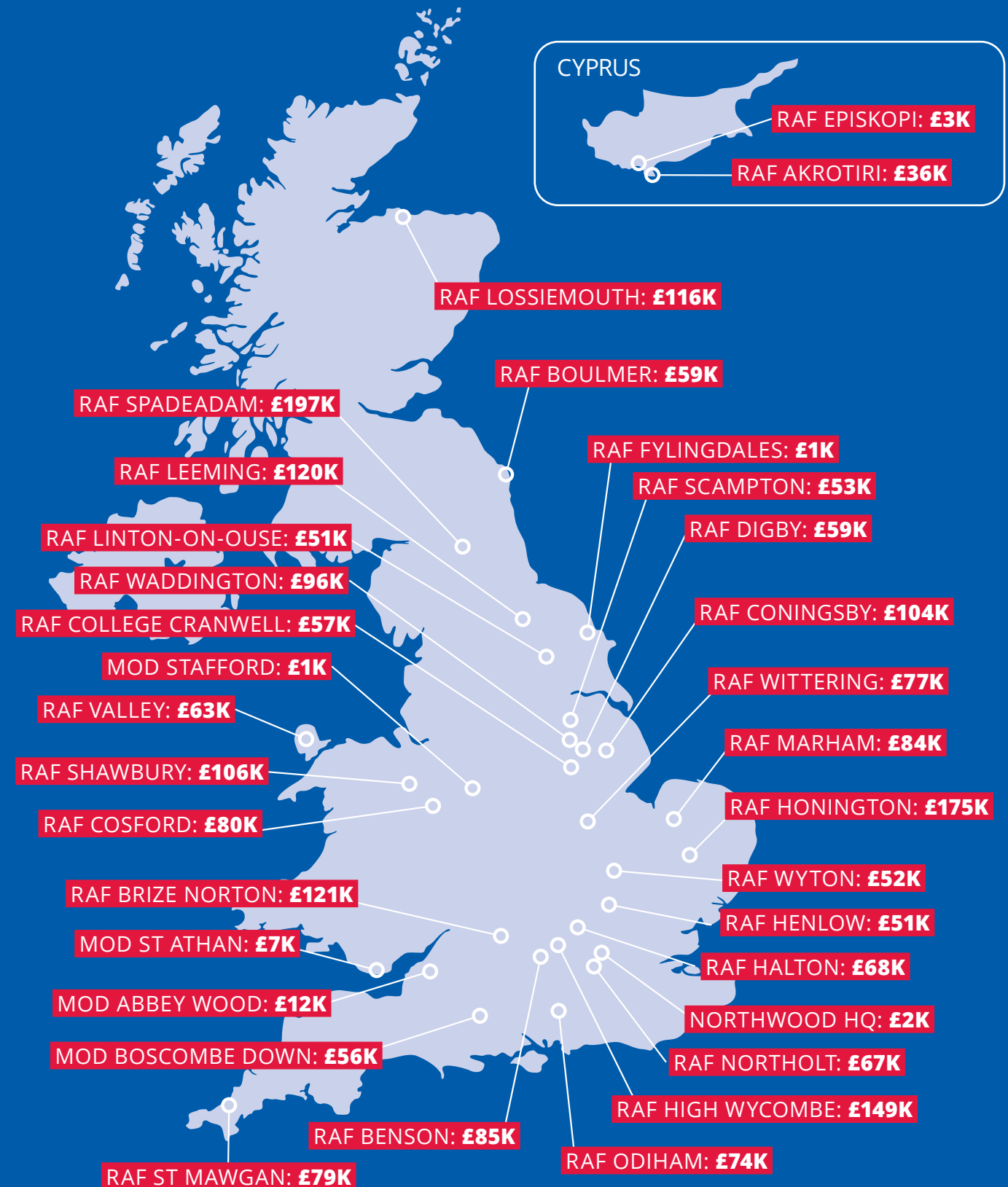
STATION GRANTS

A huge part of our work helping the RAF Family is giving grants to RAF stations to pay for facilities and activities to benefit serving personnel and their families.

IN 2021 WE HELPED...

9,700+

PEOPLE THROUGH £3.2M IN GRANTS WE GAVE TO RAF STATIONS





FUNDRAISING

In 2021 we were able to support 44,600+ members of the RAF Family in need thanks to the generosity and efforts of our wonderful supporters. Their hard work and commitment helped us raise an amazing £16.3M in a difficult climate, 7% more than our target and £2.2M more than in 2020.

THE IMPACT OF COVID-19

As for many charities, we had hoped that Covid-19 would have passed and would not impact any of our plans for 2021. The uncertainty meant we had to delay or cancel some events while we regained our confidence to meet with others. We continued to be adaptable to respond to restrictions as they were applied.

Despite challenges, we had strong performance from our gifts in Wills income at £11.5M, a £3.8M increase on 2020. This was partly due to easing of 2020's probate delays. Our new cycling event, the Dambusters Bike Ride, also raised a very respectable £146K.

PARTNERSHIPS

Covid-19 continued to impact our ability to engage and work with our commercial, strategic and philanthropic partners. However, we had a number of fundraising successes in this area in 2021, raising £900K to continue our vital work.

We created significant new relationships in 2021 with The National Lottery Community Fund Young Start programme, which is helping to provide Airplay at RAF Lossiemouth, and with the Scottish Veterans Fund, which is helping us tackle social isolation and loneliness across Scotland.

In addition, we focused on reinforcing long-standing and valued relationships, including with BAE Systems, Adrian Swire Charitable Trust and Mr Duncan Barber. We are very grateful for the continued support and commitment of all our corporate partners, trusts and major donors at a time when they themselves faced difficult decisions and challenges as a result of the pandemic.

A highlight of the year was the return of in-person events. We were delighted that The Beaujolais Run was able to return to the wine and Champagne regions of France. We are hugely grateful to all participants who went above and beyond to fundraise for us.

The Fund was also thrilled to welcome RAF Family members, supporters and partners to our awards ceremony in October and carol concert in December. These events were only possible thanks to the generosity of our sponsors including Lockheed Martin, MBDA UK and The Mercury Foundation.

SUPPORT FROM THE SERVING RAF

Serving personnel continue the tradition of looking after their own, recognising the support the Fund can offer to them in their time of need. 70% made a monthly gift to the Fund through the Service Day's Pay Giving scheme, contributing an amazing £1.6M in 2021.

INDIVIDUALS

Individuals make a significant contribution to our funds each year (£1.7M in 2021, up from £1.6M in 2020). We also enjoyed generous support from individuals who made gifts in response to our fundraising appeals and in memory of a loved one.

Social distancing and lockdowns meant some of our plans for challenge events had to be cancelled. We are grateful to supporters for their creativity in organising their own Covid-safe fundraising events throughout 2021.

GIFTS IN WILLS

In 2021, we were extremely grateful to receive £11.5M in legacies, up 49% on 2020. Gifts in Wills represent the largest form of income for the Fund and we are deeply indebted to the people who choose to support the RAF Family in this way.

£16.3M
TOTAL RAISED

£11.5M
RECEIVED FROM GIFTS IN WILLS

£1.7M
RECEIVED FROM INDIVIDUALS

£900K
RECEIVED FROM PARTNERS,
TRUSTS AND MAJOR DONORS

£1.6M
RECEIVED FROM THE SERVICE
DAY'S PAY GIVING SCHEME

£600K
RECEIVED FROM FUNDRAISING
EVENTS AND TRADING ACTIVITIES

COMPLIANCE AND SUPPORTER PROMISE

We comply with all relevant laws and regulations including the Charities Act 2011, the Charities (Protection and Social Investment) Act 2016, the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018 and the Privacy and Electronic Communications Regulation 2003.

We also comply with the regulatory standards for fundraising, including guidance published by the Charity Commission. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise, compliance with the Fundraising Preference Service and adherence to the Code of Fundraising Practice. In 2021 we were careful to

ensure that we complied with guidance released by the Fundraising Regulator and Chartered Institute of Fundraising on how to respond to the Covid-19 pandemic.

We are fully committed to the principles we laid out in our fundraising promise:

We believe in being transparent in how we raise money and spend donations, and the impact this makes on the RAF Family. We take this responsibility very seriously. We are registered with the Fundraising Regulator and are committed to its Code of Fundraising Practice.

In all that we do, we aim to meet the highest standards, so that supporters and volunteers are able to give to and fundraise for us with confidence and trust that their hard work will make a difference. In line with the Charities (Protection and Social Investment) Act 2016, our Board of Trustees closely monitors our fundraising activity and performance alongside the fundraising management team.

We are open, honest and transparent

We promise to be open, honest and transparent in relation to our fundraising and, as importantly, in how accurately we represent members of the RAF Family in the materials we produce. We engage them in planning and ensure we have sign-off before the materials are made available to supporters or the public.

We are respectful

In our fundraising materials, or in conversation, we show respect and we promise never to pressure anyone to make a donation. We are particularly sensitive when engaging with vulnerable people, including those who are elderly.

Importantly, we do not and never have shared our supporters' details with any other charity or business. Following the introduction of the General Data Protection Regulation in 2018, we only communicate with supporters who have given us express permission to maintain

contact with them. We keep supporters up to date with our work in a way and at times that suit them. If any supporter prefers a reduced level of contact, they only have to let us know and we will respond to their wishes.

We are accessible

We want to make it easy for anyone to get in touch with our fundraising team. Whether they want to update their contact preferences or ask a question about our work or how we spend their donation, we welcome their phone call, email or letter.

We have a complaints procedure should a supporter be unhappy or have concerns about any of our fundraising activities. This is available on our website or by contacting the fundraising team at hello@rafbf.org.uk.

We will help supporters to take their complaint to the Fundraising Regulator should they feel we haven't responded suitably. We record all complaints we receive in response to our fundraising. In 2021 we received 11 complaints (2020: 15). We were able to resolve these with the supporters concerned without referral to the Fundraising Regulator.

Relationships with fundraising suppliers

We employ external agencies to add additional expertise or capacity when and where needed. This is more cost-effective than trying to do everything ourselves. We appoint these agencies through a competitive tendering process. We also put in place a contract and an agreed Service Level Agreement for the work they will carry out for us, carefully ensuring they provide the same high standards as our in-house team.

THANK YOU TO
OUR DONORS

The Fund would like to thank all of our supporters, who make our work possible. We are extremely grateful to the following trusts, companies and committed individuals who have given significant levels of support over the year:

- 2Excel Aviation (The Blades)
- Ada Hillard Charitable Trust
- Adrian Swire Charitable Trust
- Anson Charitable Trust
- Armed Forces Covenant Fund Trust
- Babcock International Group
- BAE Systems
- Duncan Barber and Jane Burrows
- Barkshire Charitable Trust
- Basil Death Trust
- Bill Brown's 1989 Charitable Trust
- Mr and Mrs Colin Blowers
- BNA Charitable Incorporated Organisation
- CCM Motorcycles
- Charles Littlewood Hill Charitable Trust
- Charles S French Charitable Trust
- Charles Burrell 2016 Charitable Settlement
- Ray Daniels
- Diana Edgson Wright Charitable Trust
- DL Hailes Charitable Trust
- DXC Technology
- Dyers' Company
- Edith Murphy Foundation
- ESS – Defence

- Florabella Trust
- Florence Turner Trust
- Flower, Smith and Jones Trust
- Fort Foundation
- Pascal Fournier
- Gale Family Charitable Trust
- G and P Hartley's Hillards Charitable Trust
- George Bessell DFM Trust
- GM Morrison Charitable Trust
- Grace Trust
- Heroes Drinks
- John Isabel
- Isabel Blackman Charitable Trust
- James Weir Foundation
- John James Bristol Foundation
- Joron Charitable Trust
- Joyce Lomax Bullock Charitable Trust
- JR Asprey Charitable Foundation
- Knight Sportswear
- Linden Charitable Trust
- Lockheed Martin UK
- Loppylugs and Barbara Morrison Charitable Trust
- Lord Belstead Charitable Trust
- Maud Elkington Charitable Trust
- May Hearnshaw Charitable Trust
- MBDA UK
- Donagh McCullagh
- MEB Charitable Trust
- Medlock Charitable Trust
- Midshires Mobility Group
- Miss Caroline J Spence's Fund
- Morton Charitable Trust
- Mrs F B Laurence's Charitable Trust
- Mrs Mary Stephanie Warren-Coleman Charitable Trust
- Out of the Blue Foundation
- Paul Bassham Charitable Trust
- PF Charitable Trust
- Princess Anne's Charities Trust
- Proludic Ltd
- RAFA Formby
- RAF Club
- Red Arrows Trust
- Riada Trust
- Robert Clutterbuck Charitable Trust
- Rose and Henry Deeks Charitable Trust
- Rothley Trust
- Scott-Davidson Charitable Trust
- Scottish Veterans Fund
- Selkirk Charitable Trust
- Sir John Eastwood Foundation
- Sisters of St Joseph of the Apparition
- Spurrell Charitable Trust
- Thales Charitable Trust
- The April Fools' Club
- The Beaujolais Run
- The Gordon-Watkins Family
- The Inter-Livery Target Rifle Shoot
- The Mercury Foundation
- The National Lottery Community Fund, Young Start
- Tony and Audrey Watson Charitable Trust
- Tory Family Charitable Trust
- Una Sarah Maxwell-Mellor Trust
- WB Rhodes-Moorhouse VC Charitable Trust
- WG Edwards Charitable Foundation
- Winifred E Kemp Charitable Trust
- WM Mann Foundation
- Worshipful Company of Grocers
- Worshipful Company of Turners
- Worth Waynflete Foundation

GRANT MAKING

As part of our work, we provide financial support and give grants to eligible people in times of financial difficulty. Our grant making is means tested. We also provide non-financial services which any member of the RAF Family can access. Our welfare strategy is guided by research, underpinned by impact frameworks, and we measure its results through evaluation and outcomes.

THE PURPOSE OF OUR GRANTS

Where we are able to help, our grants support the RAF Family with unexpected and unaffordable one-off costs, priority bills and debts (when supported by an independent debt adviser's report), and regular and temporary financial assistance. We also provide grants for domestic assistance to help RAF Family members live independently at home, and to help people who are isolated take part in social activities. We provide mobility and disability equipment and help with care home top-up fees too.

We try to help people in need as much as we can. For some, this will involve a small grant, support or advice. For others, our support is much greater. Above all, we try to be caring, supportive and compassionate in all we do.

APPLYING FOR OUR GRANTS

RAF Family members can apply for individual grants throughout the year. A trained caseworker normally completes applications from former RAF personnel or their partners, with any grant usually channelled through the caseworking body. Additionally, in 2021, for the first time, we introduced three new Welfare Support Executives to help with more complex applications.

RAF serving personnel can apply through their station HR staff, who have some delegated powers to give out smaller sums. We always consider the station staff's recommendations as part of our holistic approach to welfare but are not limited by them and quite often provide additional support.

To make our grants more accessible, we have an online portal to assist with applications for sums up to £750. We can involve caseworkers if an RAF Family member needs more support or we can see that there is a bigger problem that needs addressing and we can help with.

On request, we can also award grants to RAF stations, with the aim of increasing the overall efficiency of the RAF. By providing welfare support to meet RAF community needs, our work aims to increase morale, retention and wellbeing within the serving RAF community, including for families.

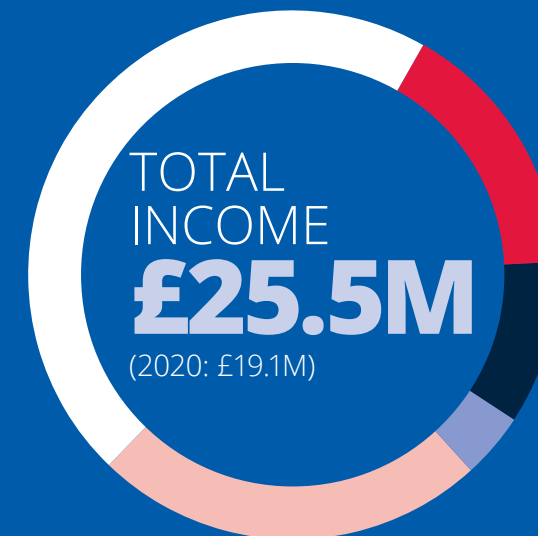
GIVING GRANTS TO OTHER ORGANISATIONS

We commission and partner with quality organisations to deliver targeted assistance to the RAF Family. In 2021, we relet the contract for our Airplay programme to a collaboration of YMCAs across England, Wales and Scotland, a major undertaking.

We also give discretionary grants to other charities to help them support members of the RAF Family, provided their help is consistent with our impact framework. We gave £399K to the RAF Family through these organisations during 2021.

Caseworking organisations, such as RAFA and SSAFA, investigate the majority of our cases. They distributed £8.4M in grants on our behalf in 2021. We are very grateful to them and their dedicated volunteers for supporting our work.

FINANCIAL HIGHLIGHTS



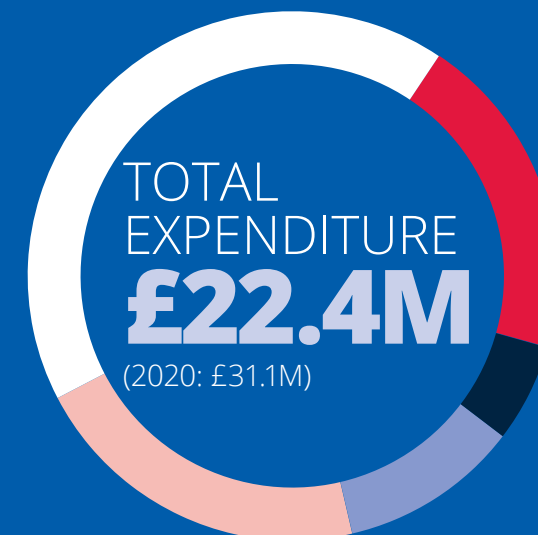
■ **Legacies: £11.5M/45%**
(2020: £7.7M/40%)

■ **Donations and other fundraising: £4.8M/19%**
(2020: £6.4M/34%)

■ **Investment income: £2.5M/10%**
(2020: £2.8M/14%)

■ **Charitable activities: £1M/4%**
(2020: £1.2M/6%)

■ **Other income: £5.7M/22%**
(2020: £1.1M/6%)



■ **Direct support to individuals: £9.5M/42%**
(2020: £15.6M/50%)

■ **Welfare programmes and grants: £4.5M/20%**
(2020: £4.9M/16%)

■ **Respite care: £1.3M/6%**
(2020: £3.9M/13%)

■ **Housing Trust provision: £2.4M/11%**
(2020: £1.6M/5%)

■ **Generating income: £4.7M/21%**
(2020: £5.1M/16%)

FINANCIAL REVIEW

OVERVIEW

2021 was the second year of our ‘Stabilise and Adjust’ strategy. The year kicked off with a lot of uncertainty driven primarily by the Covid-19 pandemic. In response to the external environment, we adjusted how we steward our financial resources, aiming to ensure we have a financially sustainable model so we can continue to make the biggest possible impact on the RAF Family now and in the future. We aimed to continue to support members of the RAF Family in need but to reduce our reliance on financial reserves to fund annual activity, as this is unsustainable in the long term.

A number of factors affected our 2021 financial outcomes, including the continuing impact of Covid-19 and the related fallout, revising our strategy and priorities, shifts in demand for our services, fixed asset disposal and the performance of investment markets.

Our overall spending was lower than planned. We saw a fall from 2020’s peak levels across some of our traditional welfare services such as financial grants, but an increase in areas such as wellbeing services.

Even though expenditure was lower than planned we were able to deliver significant impact in unprecedented circumstances. We offered life-changing support to members of the RAF Family across all age groups, including children, young people and elderly veterans. We also invested in improving the experience of RAF Family members who approach us for help.

Our financial outcomes set us on solid ground for sound financial stewardship, aligning expenditure with our strategic aims and spending income received wisely and in a manner that achieves maximum impact for the RAF Family.

INCOME

Our total income in 2021 was £25.5M, £6.4M (33%) higher than the £19.1M generated in 2020. We sold our Princess Marina House (PMH) site towards the end of the year. Our income included a £5.5M (2020: £0.9M) gain on the disposal of fixed assets, of which £4.2M related to PMH. We also saw a £3.8M increase in legacy income after lockdown-related delays suppressed this income stream in 2020.

£24.6M (2020: £18.3M) representing 96% (2020: 95%) of total income received was unrestricted.

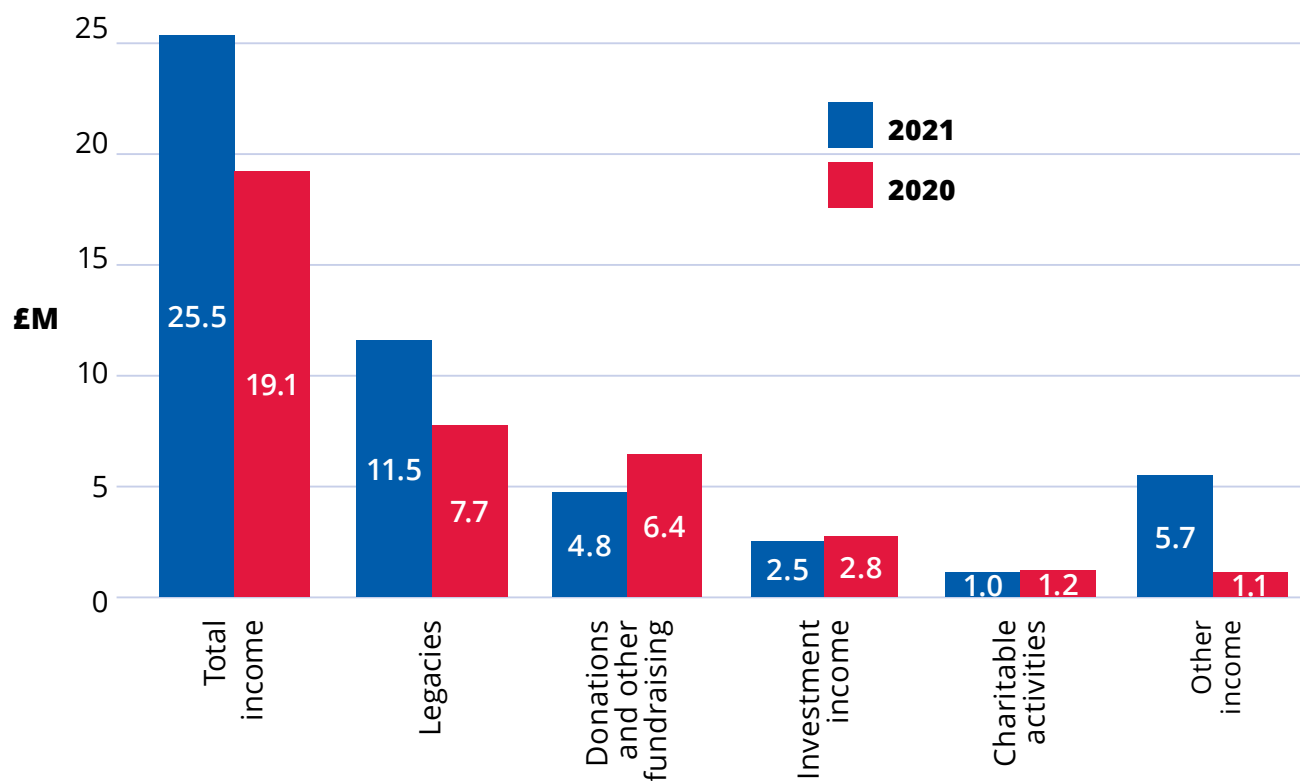
Of the £21.3M raised, excluding the income from the disposal of PMH, 80p in the pound was spent on charitable activities. We have set aside the £4.2M profit from the disposal of PMH to fund the development of future welfare services.

In 2021, £16.3M (2020: £14.1M) was received from donations, legacies and other fundraising activities, making up 64% (2020: 74%) of total income.

Our legacy income in 2021 was £11.5M (2020: £7.7M). This £3.8M (49%) growth was the main cause of our year-on-year increase in income. Increased legacy income was in part due to the easing of 2020’s probate delays. Donation and other fundraising income dropped from £6.4M in 2020 to £4.8M in 2021, a £1.6M (25%) fall. Our 2020 donation income included a one-off gift of £1M from the Headley Court Charity and a £594K grant from the government’s Coronavirus Job Retention (Furlough) Scheme.

Our fundraising performance was mixed as we continued to emerge from pandemic-related disruption to our activities. Some areas performed well against plan while others continued to face challenges.

INCOME £25.5M



Support from the serving RAF through the Service Day’s Pay Giving scheme was stable, again generating £1.6M in the year, as in 2020. Community fundraising, which struggled in 2020 because many events and activities had to be cancelled, performed well with significantly higher income. We developed a small number of initiatives that worked well and which we plan to take forward in 2022, including our Dambusters Ride cycling challenge. Income from trusts and corporates suffered as other organisations adjusted their decisions in response to the external environment.

Our gross investment income was £2.5M (2020: £2.8M), an 11% decrease. The drop was due to a combination of disinvestments and year-on-year market performance, particularly within our medium-term fixed interest portfolio. Income distribution from our long-term portfolios was maintained.

Our income from charitable activities was £1M (2020: £1.2M) with 94% (2020: 81%) coming from rents. We received £23K (2020: £181K) in respite care contributions.

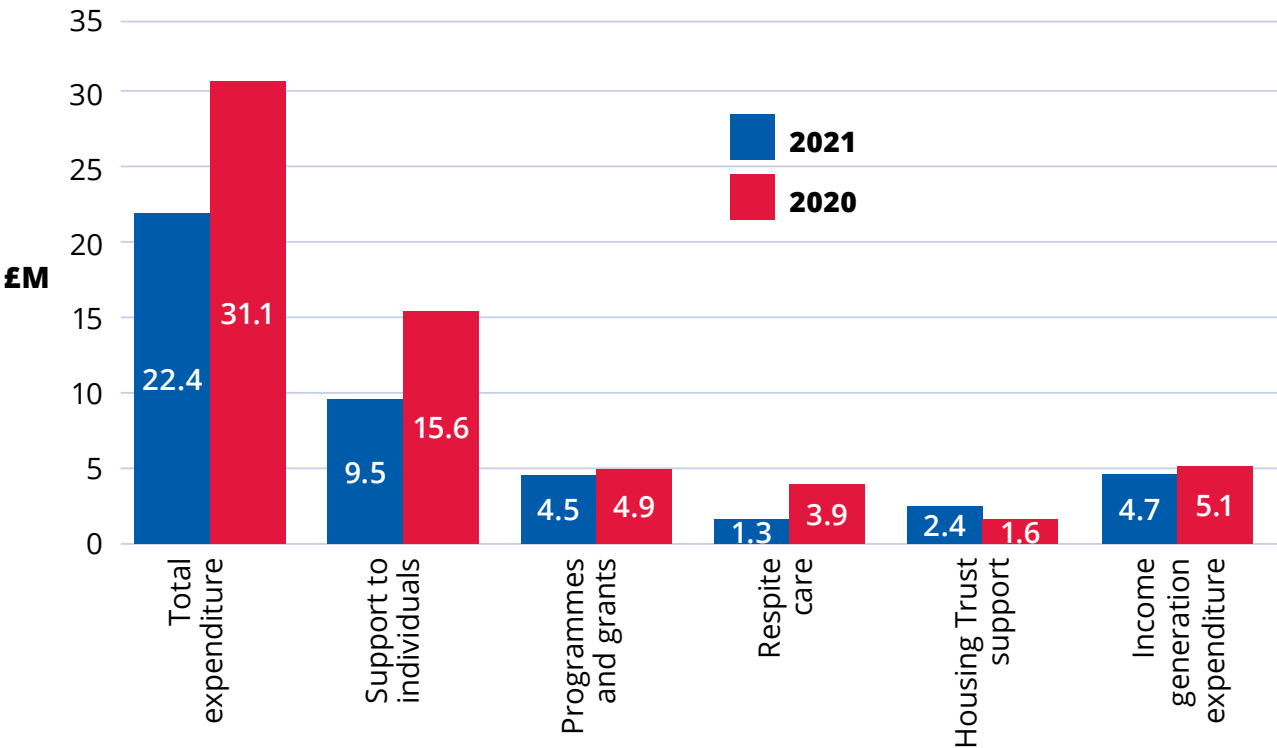
EXPENDITURE

In 2021 our total expenditure was £22.4M (2020: £31.1M), a £8.7M or 28% year-on-year decrease. This was mainly due to a reduction in welfare expenditure, as explained below.

79% (2020: 84%) of total expenditure, representing £17.7M (2020: £26M), was on charitable activities. Our activities include providing financial support to individuals, providing welfare services mainly through provider organisations, awarding grants to RAF stations and organisations who support the RAF Family and offering affordable and adapted housing.

We are seeing a fall in our traditional grant making work, but a rise in our wellbeing services. The effects of the pandemic continued to limit our welfare delivery. Engaging with the RAF Family became more challenging, respite facilities remained closed and sadly older beneficiaries passed away. Nevertheless, our welfare activity was more complex and positive than the related financial outlay might suggest. The two main areas that had reduced expenditure were direct support to individuals and respite care.

EXPENDITURE £22.4M



£9.5M (2020: £15.6M) representing 42% (2020: 50%) of our total expenditure was to provide support to individuals from the veteran and serving communities, a £6.1M or 39% reduction. The number of individual grants was 30% down on 2020 due to reduced demand. Also, the £15.6M spent directly supporting individuals in 2020 included £1.1M spent on our successful multi-channel campaign launched in 2019, to encourage more members of the RAF Family to come to us for support.

We spent £4.5M (2020: £4.9M) on welfare programmes and grants, a £385K or 8% reduction. Included in this was £3M (2020: £3.4M) spent on providing support through contracted services and discretionary grants to other organisations. Again, the most significant of these services in financial terms was through contracts for Airplay, our youth support programme, on which we spent £1.3M (2020: £1.7M). There was an increase in the use of our wellbeing services, costing £1M (2020: £766K).

Grant funding to support the veteran community was £399K (2020: £690K) and grant funding to the serving RAF was £197K (2020: £172K).

Our housing support expenditure was £2.4M (2020: £1.6M) a £740K or 45% increase. There were more requests for assistance in this area due to a Covid-19-related backlog. The general shortage in building material supplies and high demand for building services had an impact on costs but this was managed by focusing on beneficiaries with the highest needs.

£1.3M (2020: £3.9M) was spent on respite and care, a £2.6M or 67% reduction. 2020 expenditure included £2.7M of final PMH costs. In addition, the pandemic adversely affected this area of our work.

We spent £4.7M (2020: £5.1M) on raising funds, of which £3.3M (2020: £3.4M) was direct expenditure on raising income. Allocated support costs came to £1.4M (2020: £1.7M). There were expenditure reductions associated with cancelled fundraising activities, but we took advantage of opportunities to invest towards gaining medium- to long-term income returns.

In all other areas of spend, we worked hard to reduce our cost base. This included staffing levels, where we removed a director's post. Thus, total support costs allocated, including the costs of IT, administration and management, premises, governance, depreciation of fixed assets, finance, human resources, and system improvements, reduced by 13% to £4.7M (2020: £5.4M).

HOUSING AND LOANS

Through our subsidiary the RAF Benevolent Fund Housing Trust Limited, we purchase and maintain properties that are let out to RAF Family members with particular needs at affordable rents. The rent received equated to just under 50% of the open market rent of these properties. We consider the income forgone to be a charitable expenditure supporting the most needy members of the RAF Family, although it is not reflected in the Group accounts. The Housing Trust owned 203 properties on 31 December 2021. We purchased and adapted six new properties (2020: three) in the year, at a cost of £2.1M (2020: £0.9M) and sold eight properties (2020: six) realising £2.2M (2020: £1.5M) in sales proceeds and £1.3M (2020: £0.9M) in net gain.

We awarded £131K (2020: £109K) in new secured loans to RAF Family members. The interest charged is much below market rates and repayments are determined on the basis of an individual's ability to repay the loan. We received £815K in loan repayments (2020: £776K) in 2021. The total value of loans to beneficiaries at the end of the year was £7.9M (2020: £8.6M). We proactively review our loan book to ensure that the value is not impaired, and the recoverability of balances is assessed and reported fairly.

INVESTMENTS

Our approach is to enhance the value of investments as well as earn an appropriate return by adopting a managed, diversified portfolio at acceptable levels of risk. Our main investment objectives are:

- To hold investments in a manner that will help us deliver our objectives in the short, medium and long term

- To earn a total rate of return of CPI plus 5%, ensuring that real capital value is preserved, and income is generated to fund our activities
- To measure overall performance against an agreed market derived benchmark and use an industry-wide peer group benchmark to assess performance against the average
- To employ investment managers who generate low costs and develop relatively stable portfolios which meet the objectives of this strategy in the long term.

BlackRock Investment Management (UK) Limited and CCLA Investment Management Limited have managed our long-term portfolios since 2016. In 2019 we appointed Close Brothers Asset Management to manage the funds we would need to spend in the short to medium term. Our medium-term objective is to ensure our cash requirements are met without undue exposure to investment risk, while still achieving good returns. Assets held with fund managers were valued at £82.6M (2020: £77.7M). This includes our designated, endowment and restricted funds. Income yield from these investments was £2.4M (2020: £2.6M).

The value of our funds managed by BlackRock – Armed Forces Charities Growth and Income Fund, a Charity Authorised Investment Fund (CAIF), on 31 December 2021 was £22.3M (2020: £20.4M). We aim to provide a net return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and income received from those assets. We have a flexible approach to asset allocation and seek to achieve our investment objective through a variety of asset classes. The fund is actively managed in accordance with our investment policy. Over the year a net return of 13.1% was achieved against a 12.9% benchmark. Dividend yield in the 12 months to 31 December 2021 was 3.2% (2020: 3.5%).

Environmental, social and governance (ESG) information is incorporated into BlackRock's decisions to strengthen qualitative and quantitative insights without compromising financial returns. The fund has 61.9% of the portfolio in equity and corporate bonds of which 93.9% has carbon data. The benchmark is 60% equities, of which 98.2% has carbon data.

The value of our funds managed by CCLA – COIF Charities Investment Fund on 31 December 2021 was £47.2M (2020: £34.3M). This included the £8M proceeds from PMH that were invested in this fund late in the year. The investment objective of the fund is to provide real long-term growth and an income, rising over time from a portfolio managed within a clear risk control framework.

To meet these objectives, the portfolio has a bias towards real assets, predominantly global equities, but also property and to non-traditional areas such as infrastructure. Stock selection is on a 'bottom-up' basis, and companies with a robust financial position and the potential to grow faster and more consistently are favoured more than the broad trend in the economy. Over the year a net return of 17.4% (2020: 9.8%) was achieved against a 16.9% (2020: 3.95%) benchmark. Dividend yield in the 12 months to 31 December 2021 was 2.7% (2020: 2.9%).

CCLA believes that changing legislation, regulation and societal preferences will impact negatively on the most unsustainable business models. To ensure that they are not unduly exposed to these risks, they assess the ESG standards of every company before investing. They avoid companies that have uncompensated, unwanted, unwarranted and unmitigated extra-financial risks, evidenced by:

- Poor management and weak corporate governance
- Unacceptable social and environmental impact
- A failure to demonstrate a willingness to improve through investor engagement.

Our investments managed by Close Brothers Asset Management are invested in a bespoke portfolio of short-dated, high-quality corporate bonds with a maturity profile to meet liquidity requirements. All maturities are expected to be met and the income paid out is expected to be in line with original expectations. The value of the portfolio on 31 December 2021 was £13.1M (2020: £23M). The net yield on this portfolio in the year was 0.4% (2020: 2.4%).

The RAF Benevolent Fund is the charity trustee of The Royal Air Force Disabled Holiday Trust (DHT). DHT held property investments valued at £546K at the year end (2020: £532K).

Unrealised gains on investments at the year end stood at £6.6M (2020: £2.6M).

RESERVES

Total funds as at 31 December 2021 were £122M (2020: £109.9M) and comprised unrestricted funds of £109.2M (2020: £97.9M). Restricted and endowment funds were £12.8M (2020: £12M).

Unrestricted reserves included operational assets of £36.8M (2020: £40.9M), designated funds of £29.1M (2020: £17.4M) and free reserves of £43.3M (2020: £39.6M).

We have been supporting members of the RAF Family for more than 100 years. The commitment we made in 1919 to be here for the long haul remains as firm today as it was back then. We will continue to stand beside the RAF Family for the next 100 years, through all of life's challenges and hardships, from the moment the brave young men and women sign up to serve their country, to the day they leave Service and re-enter civilian life, then into their twilight years.

To honour these long-term commitments, we continue to take a risk-based approach to determining our free reserves minimum requirement. We must ensure funds are available to deliver welfare services and to secure, as far as possible, future financial viability. This year, we have taken into account our 2022–2026 Shaping The Future strategy, and the management of risks

associated with that strategy, particularly the uncertainty of future income, the timing of cash receipts from gifts in Wills and welfare demand. This risk is further heightened by the current inflationary environment, with inflation being higher than it has been for 30 years. We have also factored in our discretionary commitment to the Dependants Fund.

Free reserves as at 31 December 2021 stood at £43.3M. Trustees have determined that at this time we should hold a minimum of £40M in free reserves to be assured that we are able to sustain the support we provide to the RAF Family in these unprecedented times and in the long term, as well as meet other obligations, irrespective of fluctuations in income.

Designated funds were £29.1M (2020: £17.4M). In 2021, during our 'Stabilise and Adjust' phase, total expenditure from designated funds was £1.8M (2020: £7.1M). The retirement of the previous strategy meant £8.9M of unspent designated funds were released and new designations made to align the spending of reserves with the new strategic plan. The £8M consideration received from the disposal of Princess Marina House in December 2021 has been included in designated funds to be used to augment welfare delivery.

The £29.1M designated funds will be spent on welfare in three main areas. The first is strategy acceleration to bring forward welfare services included in the 2022–2026 strategic plan, so we can help RAF Family members earlier. The second is additional expenditure that will accrue when some of the welfare policy changes introduced in 2021 are revised to reflect current circumstances. Finally, the money will be spent on augmenting our core welfare offer, in response to identified need. Setting aside funds for welfare is now even more critical as inflation and energy prices affect our beneficiaries, increase the cost of our services and erode the value of income.

£8.2M has been set aside to fund our pension deficit recovery contributions up until October 2028 as agreed with the Trustee of the Staff Pension Fund.

£8.1M (2020: £7M) reserves of the Dependants Fund have also been set aside to meet our promise of support to RAF personnel who are subscribers to the Fund. The Dependants Fund's reserves increased by £1.1M (2020: £505K gain) due to the market gains on investments of £958K (2020: £406K) and a £87K operating surplus (2020: £99K).

Restricted funds representing the unspent balance of funds received for specific charitable activities were £5.9M (2020: £5.7M). £3M, the largest single restricted fund, is for the maintenance and upkeep of the Bomber Command Memorial.

Endowment funds include both permanent and expendable funds and were £6.9M (2020: £6.3M). These funds represent income donated to us but subject to the condition that the capital remains unspent. The increase in the year was due to capital gains on invested funds.

The Trustees are assured that the Charity has adequate resources to continue to operate for the foreseeable future and the Charity therefore continues to adopt the going concern basis in preparing its financial statements.

PENSION DEFICIT

Under FRS 102 the closed defined benefit pension scheme had a deficit of £13.5M (2020: £16.5M). The actuarial valuation of the Scheme as at 31 December 2020 revealed a funding shortfall (Technical Provisions minus value of assets) of £12.3M.

This position was updated on 31 October 2021 so we could put together a recovery plan to reflect more up-to-date information about the Scheme's funding progress. The funding shortfall at this date was £8.6M. To eliminate this, the Staff Pension Fund Trustee and Fund have agreed that the Fund will pay deficit funding contributions of £100,000 per month from 1 January 2021 until 31 October 2028.

GOVERNANCE AND RISK

The Board of Trustees has overall responsibility for managing risks faced by the Fund and its subsidiary entities. That responsibility is, in part, delegated to the various Fund committees. They exercise oversight on the Board's behalf by receiving regular reports, providing recommendations and updating the Board on risks associated with their specific remit. The Board then discusses strategic risks at each Board meeting. The Fund's executive leadership team routinely manages risks, regularly assessing these alongside any associated management procedures.

Our management of risk helps us achieve our objectives to support the RAF Family, make informed decisions, comply with regulations and the law, and protect our people and maintain strong stewardship. We recognise that risks present threats but also opportunities.

All aspects of the Fund's operations carry – to varying degrees – the risk of reputational damage. Every person associated with the Fund (including Trustees, volunteers and members of staff) must be responsible for protecting the Fund's reputation in all that they do.

The significant risks we face are:

- **Failure to maintain long-term financial sustainability** because we may be unable to raise sufficient income, from a diverse range of reliable sources, to fund the welfare needs of the RAF Family, which evidence shows we should meet. Through our new 2022-2026 strategy, we will mitigate this risk by delivering our core offering within balanced budgets and use our reserves to enhance and augment our welfare offering in a way that aligns with our strategic aims. We are

also building more value-adding donor relationships, using data and insight to inform fundraising activities and have plans to invest in growing our supporter database. We have a robust risk-based Reserves Policy which we regularly monitor and review as appropriate.

- **Failure to meet the needs of the RAF Family.** This could be due to a number of reasons:
 - The third parties we rely on to provide excellent and timely services are not able to carry out this work to an acceptable standard.
 - Not being sufficiently close to the RAF Family.
 - Declining brand awareness and visibility among our supporters and beneficiaries.
 - We are not innovative and responsive to the changing needs of the RAF Family.

We are mitigating this risk through key objectives in our 2022-2026 strategy that will increase our engagement on the ground and give us greater control over our service delivery. We are strengthening our Community Engagement Worker programme and embedding our new Welfare Navigators so we have greater involvement with caseworking.

We also have a new engagement strategy to underpin how we work with key stakeholders. We only work with suppliers who share our values. We use data and analysis to understand the shape, size and needs of the RAF Family and the environment we work in. We strive to engage closely with our sister charities to avoid overlap and competition as well as promote collaboration and partnership working where possible. In particular, we maintain strong relationships with our caseworking partners and third-party welfare services providers.

- **Failure in our safeguarding processes** that may result in harm to our supporters or beneficiaries. We mitigate this risk by ensuring that we have robust safeguarding policies that are reviewed regularly and that our staff and Trustees are aware of these policies and receive appropriate training. Key members of staff have the specific responsibility for ensuring that we meet best practice. We also have a Safeguarding Lead Trustee who has the expertise to guide on safeguarding matters.

- **Inadequate capability of the Charity that hinders innovation and the effective delivery of our strategic plan.** We mitigate this by ensuring we recruit Trustees and employees with the right skills, knowledge, experience and values, through rigorous recruitment and selection processes. The recruitment and retention of employees with the right skills and motivation has been impacted by Covid-19 and we have been adaptive and innovative in our response. We take staff resilience and wellbeing seriously. We rigorously monitor our performance against business plan and take action as necessary. We adopt best practice and the Charity Governance Code as frameworks for evaluation, including updating our policies and processes where necessary. We develop the use of technology as appropriate and are currently developing a digital strategy.

- **The Dependants Fund may have insufficient assets to meet the level of expected death grants** in the event of a series of incidents or a single major incident resulting in loss of life. We mitigate this risk by taking out calamity insurance and factoring it into determining our free reserves requirement.

- **Our obligation to our legacy Staff Pension Fund could compel us to divert resources from charitable activities** necessary to meet the needs of the RAF Family. We have mitigated this risk by

appointing a Sole Professional Trustee who understands our purpose and values and is able to balance these with the need to meet obligations to members of the pension scheme. We have endorsed a revised pension investment strategy with the Pensions Trustee that should provide better returns to the pension fund and reduce the scheme's reliance on the charity sooner.

Climate change is a key risk that we expect to emerge in the medium term (three to five years). Our position is that the Fund must always operate in a responsible and sustainable way. This is central to our decision-making. We must understand what our direct and indirect impact is on carbon emissions, whether it be through our fundraising, investment or welfare provision activities, or in internal processes and supply chains.

Our sustainability credentials will become increasingly important to our ability to operate. Over the next couple of years, we will develop plans to move towards net zero emissions. The legal requirement to complete mandatory Energy Performance Certificate (EPC) improvements to our Housing Trust properties and any follow-on carbon reduction activities is a risk that provides a threat to and an opportunity for us. We ensure that we keep abreast of developments and regulatory requirements and that properties purchased meet minimum EPC standards.

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

The Royal Air Force Benevolent Fund has the Charity Commission registration number 1081009. As the Fund owns land and properties in Scotland, it is also registered with the Office of the Scottish Charity Regulator to comply with the Charities and Trustee Investment (Scotland) Act 2005. The registration number is SCO38109. The restricted and endowed funds of the Fund have a separate registration number, 207327. In accordance with the provisions of Section 96 of the Charities Act 1993 (now replaced by Section 20 of the Charities Act 2011), the Charity Commission has previously directed that for all or any of the purposes of the Act, the two charities, having the same charity Trustees, are to be treated as a single charity.

The Fund is also registered as a Royal Charter Company with the Companies House registration numbers ZC000201/RC000773.

The RAF Benevolent Fund Group also encompasses other entities, details of which can be found at the back of this report.

STRUCTURE AND GOVERNANCE

The Fund, which was set up in 1919, was incorporated by Royal Charter in 1999. Trustees are appointed by our Council for a four-year term, after which they are eligible for re-election for a further four-year term. Trustees may not hold office for a continuous period exceeding eight years without the consent of our Board.

New Trustees are selected with a view to ensuring that our Board has an appropriate balance of skills, background and experience relevant to our strategic and operational requirements. We continue to be guided by our Diversity Policy to ensure

that our Board is sufficiently diverse to adapt to macro changes and understand and respond to the needs of the RAF Family.

We generally recruit Trustees through advertisements in the media and via a range of digital networks. A Nominations Committee considers applications on behalf of our Board of Trustees and our Council. We provide each new Trustee with a briefing pack and agree and implement an individual induction programme. This covers all aspects of the role, their responsibilities, the requirements of the regulators and our work.

As much as possible (due to the pandemic) our Board, either as a whole or through its subcommittees, continued in 2021 to receive ongoing briefings and training from senior management and external advisers in critical areas such as risk management, reserves, fundraising practices, safeguarding and data protection.

Our Board of Trustees is made up of no fewer than 10 and no more than 15 Trustees, reflecting a mixture of those who have served in the RAF and those who have a background in industry, law, commerce or other sectors. Our Board is assisted by committees overseeing welfare, finance, fundraising and communications, grant giving, trustee appointments and remuneration activities. We review the terms of reference for our Board and these committees annually to ensure we are maintaining compliance and relevance.

We also annually review the terms of reference for our Safeguarding Lead Trustee (who advises our Board on all safeguarding matters and ensures that we comply with all legal and good practice requirements in relation to safeguarding) and our Senior Independent Trustee (who

acts as a sounding board for our Chair and as an alternative route for consultation or conflict resolution for either our Trustees or executive should normal channels be unsuitable).

Our Board of Trustees is responsible for setting our strategy and policies to achieve our charitable objects as set out in our Royal Charter. It is also responsible, through its committees, for monitoring the activities of our executive staff. It reviews our position and receives reports from the committees and the executive leadership team, led by our Controller. Our Board also conducts annual performance reviews of our Controller and the Chair of the Board of Trustees and undergoes its own periodic Board appraisal. Our Controller, as our Chief Executive, is responsible for the day-to-day management of our affairs.

Our Board met four times in full session in 2021. It also met for a strategy session and held two extraordinary meetings to finalise the sale of Princess Marina House, our former respite and care centre in West Sussex.

We believe good governance is key to our ongoing success. As part of our cost rationalisation effort, we reduced the size of our executive leadership team by abolishing our Chief of Staff/Director of Governance post. We appointed a new Head of Governance so that our continued compliance with the Charity Governance Code and application of best practice in governance matters is assured.

STAFF REMUNERATION POLICY

We continue to be strongly committed to recruiting, developing and retaining people with the necessary skills and knowledge to deliver our objectives and with the ability to make a positive contribution. We believe making effective decisions in relation to remuneration and reward is crucial to the achievement of our overall aims.

Our Remuneration Policy centres on the following principles:

- Rewarding employees in a fair, equitable and transparent way
- Aiming to pay competitively against our relevant competitors in the third sector.

We focus on a 'total reward' approach, recognising that broader aspects of employment offers including non-financial benefits such as flexible working, development opportunities, as well as the values we uphold as an organisation are of increasing value to employees.

REMUNERATION REVIEW

Our Remuneration Committee reviews our Remuneration Policy annually to ensure we are adhering to its principles and that those principles remain appropriate. The committee reviews our pension and broader reward provision and considers an annual pay award. Committee decisions are supported by external expert analytics and benchmarks and all recommendations are submitted to our Board of Trustees for approval.

We aim to match, where appropriate and affordable, competitive salaries based on current market conditions for any given role as detailed by the responsibilities derived from the job evaluation. We changed our approach in 2021 so that all new employees join the Fund on spot rates. The prior pay system is still in operation for employees who joined before this time.

In reviewing salary recommendations for 2022, our Trustees considered a number of factors including the current economic climate and rising inflation, the increase to employee National Insurance contributions from April 2022, and the impact of the coronavirus pandemic on the workforce. A 3% annual pay award was agreed.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Our Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires our Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and the group and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, our Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

Our Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

They are also responsible for safeguarding the assets of the Fund and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

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

TRUSTEE DECLARATION

Trustees hereby approve the 2021 Annual Report



Richard Daniel BSc (Hons) FRAeS,
Chair, Royal Air Force Benevolent Fund

Signed on 21 June 2022

PRINCIPAL PROFESSIONAL ADVISERS

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London EC4V 4BE

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London EC4V 4ET

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Royal Air Force Benevolent Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the 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 affairs of the group and the parent charity at 31 December 2021 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;
- Have been prepared in accordance with the requirements of the Charities Act 2011; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- The information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- The parent charity has not kept proper and sufficient accounting records; or
- The parent charity's financial statements are not in agreement with the accounting records and returns; or

- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of Trustees' responsibilities set out on page 36, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent charity 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.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with informed management and updating our understanding of the sector in which the group and parent charity operates.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant

authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or had knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charity's Trustees 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 parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street, London EC4V 4BE

Date: 28 July 2022

Saffery Champness LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006.

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

		2021				2020			
	Note	Unrestricted funds	Restricted funds	Endowed funds	Total	Unrestricted funds	Restricted funds	Endowed funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from									
Donations and legacies		15,028	685	-	15,713	12,864	857	-	13,721
Charitable activities		1,030	20	-	1,050	1,212	20	-	1,232
Other trading activities		547	19	-	566	360	-	-	360
Investments		2,268	216	-	2,484	2,748	(3)	-	2,745
Other income		5,715	-	-	5,715	1,080	-	-	1,080
Total income	2	24,588	940	-	25,528	18,264	874	-	19,138
Expenditure on raising funds									
		4,683	19	-	4,702	5,096	11	-	5,107
Expenditure on charitable activities									
Direct support to individuals		8,970	513	-	9,483	14,950	606	-	15,556
Welfare programmes and grants		4,199	312	-	4,511	4,254	642	-	4,896
Respite care		1,163	114	-	1,277	3,494	436	-	3,930
Housing Trust support		2,318	68	-	2,386	1,465	181	-	1,646
		16,650	1,007	-	17,657	24,163	1,865	-	26,028
Total expenditure	3	21,333	1,026	-	22,359	29,259	1,876	-	31,135
Net income/(expenditure) before gains on investments		3,255	(86)	-	3,169	(10,995)	(1,002)	-	(11,997)
Transfers between funds		4	(4)	-	-	415	(415)	-	-
Net gains on investments	11	5,790	221	611	6,622	2,250	69	292	2,611
Net income/(expenditure)		9,049	131	611	9,791	(8,330)	(1,348)	292	(9,386)
Other recognised gains and losses:									
Actuarial gains/(losses) on defined benefit pension scheme	15	2,266	-	-	2,266	(3,538)	-	-	(3,538)
Net movement in funds		11,315	131	611	12,057	(11,868)	(1,348)	292	(12,924)
Total funds brought forward		97,859	5,728	6,319	109,906	109,727	7,076	6,027	122,830
Total funds carried forward	23	109,174	5,859	6,930	121,963	97,859	5,728	6,319	109,906

The notes on pages 45 to 77 form part of the financial statements. All amounts relate to continuing operations.

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

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2021

	Note	Group 2021	Group 2020	Charity 2021	Charity 2020
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	187	274	187	274
Tangible assets	10	28,663	32,059	4,878	8,805
Investments	11	83,114	78,255	75,429	71,528
Loans to beneficiaries	12	7,948	8,593	7,948	8,593
		119,912	119,181	88,442	89,200
Current assets					
Stock		3	6	-	-
Debtors and prepayments	13	10,623	7,273	21,763	18,412
Cash at bank and in hand		7,449	3,393	5,633	2,164
		18,075	10,672	27,396	20,576
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	14	(2,559)	(3,416)	(2,101)	(3,044)
Net current assets		15,516	7,256	25,295	17,532
Net assets excluding long-term liabilities and pension liability		135,428	126,437	113,737	106,732
Defined benefit pensions liability	15	(13,465)	(16,531)	(13,465)	(16,531)
Total net assets		121,963	109,906	100,272	90,201
Funds					
Endowment funds		6,930	6,319	6,930	6,319
Restricted funds		5,859	5,728	5,859	5,728
Designated funds		29,062	17,404	21,000	10,387
General funds		93,577	96,986	79,948	84,298
Pension reserve		(13,465)	(16,531)	(13,465)	(16,531)
	23	121,963	109,906	100,272	90,201

Approved by the Board of Trustees on 21 June 2022 and signed on its behalf by



Richard Daniel BSc (Hons) FRAeS
Chair, Board of Trustees

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£'000	£'000
Net cash used in operating activities	(8,829)	(13,987)
Cash flows from investing activities		
Dividends and interest from investments	2,484	2,860
Proceeds from the sale of property	10,097	1,538
Purchase of property and equipment	(2,143)	(1,557)
Net proceeds from sale of investments	1,763	6,631
Net cash provided by investing activities	12,201	9,472
Cash flows from financing activities		
Loans awarded	(131)	(109)
Loan repayments	815	776
Net cash provided by financing activities	684	667
Change in cash and cash equivalents in the year	4,056	(3,848)
Cash and cash equivalents as at 1 January	3,393	7,241
Cash and cash equivalents as at 31 December	7,449	3,393
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for the year ended 31 December	9,791	(9,386)
Adjustments for:		
Depreciation charges and amortisation	1,031	1,185
Gains on investments	(6,622)	(2,611)
Income attributable from joint venture	-	115
Dividends and interest from investments	(2,484)	(2,860)
Profit on the sale of fixed assets	(5,502)	(867)
Loan interest	(43)	(57)
Loans converted to grants	4	74
Loans written off	-	28
Decrease/(increase) in stock	3	(1)
(Increase)/decrease in debtors	(3,350)	596
(Decrease)/increase in creditors	(857)	532
Pension interest expense	200	265
Pension fund costs	(1,000)	(1,000)
Net cash used in operating activities	(8,829)	(13,987)
Analysis of cash and cash equivalents		
Current accounts	7,449	3,393
Total cash and cash equivalents	7,449	3,393

Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£'000	£'000	£'000
Cash - current accounts	3,393	4,056	7,449

	At 1 January 2020	Cash flows	At 31 December 2020
	£'000	£'000	£'000
Cash - current accounts	7,241	(3,848)	3,393

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 PRINCIPAL ACCOUNTING POLICIES

These are the financial statements of the Royal Air Force Benevolent Fund and its related entities. The Charity was incorporated by Royal Charter in England and Wales on 29 December 1999. The Trustees of the Charity are named on page 2. The registered office is 67 Portland Place, London W1B 1AR.

BASIS OF PREPARATION

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved

following the Statement of Recommended Practice (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

ACCOUNTING CONVENTION

These financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the 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 (Charities SORP (FRS 102)), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 as amended by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary entities are consolidated on a line by line basis. A Charity-only SOFA is not shown separately. A summary of the results of the subsidiary entities is shown in Note 27.

The Group's share of net income of the joint venture (20%) is accounted for using the equity method and is shown in the consolidated SOFA with the share of net assets shown on the balance sheet as an investment.

FUNCTIONAL CURRENCY

The Charity's functional and presentational currency is GBP and is shown as £'000s in the financial statements.

GOING CONCERN

The Trustees have assessed whether the use of the going concern basis is appropriate, taking into account business plans, income and expenditure projections and the Charity's level of reserves. Their conclusion is that there is no doubt about the Charity's ability to continue operating as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of approving the financial statements and are assured that the Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

FUND ACCOUNTING

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and that have not been designated by the Trustees for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against specific funds. The aim and use of the larger restricted funds is set out in the notes to the financial statements.

Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while Trustees have the power to convert expendable funds into income. These funds are set out in Note 26. The return on endowment investments is made up of income earned and gains or losses in the market value of the investments.

Income generated from endowment funds is spent on charitable activities. Investment income and gains are allocated to the appropriate fund.

RECOGNITION OF INCOME

Income is recognised in the SOFA when the Charity becomes entitled to it, it is more likely than not that the income will be received, and the monetary value of the income can be estimated with sufficient accuracy. Entitlement to legacy income is assumed when there is sufficient evidence that a gift has been left to the Charity, usually through the notification of a Will.

Receipt of legacy income is deemed probable when there has been a grant of probate, and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Charity or uncertainty around receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

RECOGNITION OF EXPENDITURE

Expenditure is recognised in the SOFA on an accrual basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more than likely that payment will be paid in settlement.

Two main categories of expenditure shown in the SOFA are expenditure on raising funds and expenditure on charitable activities. Expenditure on raising funds includes all expenditure incurred to raise voluntary income to spend on charitable purposes as well as investment management fees. Expenditure on charitable activities includes all costs incurred by the Charity in carrying out its charitable aims to support the beneficiaries of the RAF Benevolent Fund.

SUPPORT COSTS

Support costs have been classified as: information technology and facilities, depreciation, general management and administration, finance and payroll, HR and governance. These costs have been allocated to activities on a basis consistent with the use of resources, and indirect costs have been apportioned on a headcount basis or in proportion to direct costs or income.

Support costs include £235K spent on the administration and management of the legacy staff pension scheme to ensure that the charity as the sponsoring employer continued to meet its legal obligations in the right way.

GRANT COMMITMENTS

Grants awarded are expensed in the SOFA in the year in which they are approved by the Trustees and the offer is conveyed to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1K (£5K in the RAF Benevolent Fund Housing Trust Limited) are capitalised and included at cost, including any incidental expense of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

- Freehold land – nil
- Freehold buildings – over 50 years
- Leasehold buildings – over the life of the lease, or 50 years if shorter
- Leasehold improvements – over 30 years
- Project and office equipment – over five years
- Computer equipment – over three years
- Motor vehicles – over five years.

A full year's depreciation is provided in the year of asset acquisition, and none in the year of disposal.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Software is classified as an intangible fixed asset and is capitalised where the cost plus incidental expenses incurred in acquisition is more than £1K.

Amortisation is provided on intangible fixed assets to write off the capitalised value on a straight-line basis over three years. A full year's amortisation is provided in the year of asset acquisition, and none in the year of disposal.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

RELATED PARTY DISCLOSURES

The Charity has made the required disclosures in accordance with the Charities SORP (FRS 102).

Transactions with group undertakings are eliminated on consolidation.

INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Income receivable on investments is recognised in the SOFA on the accruals basis.

JOINT VENTURE

The RAF100 Appeal (Registered Charity 1167398; Company Registration: 9977273) was formed to bring the four major RAF charities and the RAF itself together to mark the centenary of the RAF with a programme of events. To assist with providing initial working capital, the Fund and the other RAF charities each provided a £25K short-term interest free loan to the RAF100 Appeal which has been subsequently repaid. On completion of the joint venture project any surplus reserves have been or will be distributed as agreed among the joint venture partners.

The income receivable from the RAF100 Appeal will be recognised in the Charity's accounts when the Charity becomes entitled to it, and the amount can be estimated with sufficient accuracy.

STOCK

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

PENSION COSTS

Pensions are accounted for in accordance with FRS 102 section 28, with a valuation undertaken by an independent actuary for the defined benefit scheme, the Royal Air Force Benevolent Fund Staff Pension Fund, which is closed to future accrual. Net pension finance income or costs are included immediately in other income or employee costs as appropriate.

Actuarial gains and losses are recognised immediately on the face of the SOFA. The scheme deficit is included as a liability in the balance sheet. Details of the pension scheme are included in Note 15 to the accounts.

The amounts charged to the SOFA for defined contribution schemes represent the contributions payable in the period.

FINANCE AND OPERATING LEASES

The Charity does not have any finance leases. Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred on a straight-line basis.

LOANS

Loans are awarded to beneficiaries in furtherance of charitable activities. The particular circumstances of each case will determine whether or not the loan is awarded free of interest. When interest is charged the rate is considerably lower than prevailing market rates. Loans are recognised as assets at the value of the award. Accrued interest, where applicable, is recognised as income and added to the balance of the loan. Repayments are made as provided in the loan agreement. To facilitate the relief of hardship and distress, the commencement of repayments can be deferred.

FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See Notes 13 and 14 to the accounts.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives – The annual depreciation charge for property and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Unsecured loans – A small proportion of loans to beneficiaries are not secured and therefore a general provision for non-repayment is made. The calculation of this provision is based on the historical average rate of default and equates to 10% of the total value of unsecured loans at the balance sheet date.

Pension scheme deficit – The underlying assumptions used by the actuary in valuing the scheme are in accordance with FRS 102 and based on assumptions recommended by the actuary.

2 INCOME AND ENDOWMENTS

	Unrestricted	Restricted	Total 2021	Unrestricted	Restricted	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies						
Royal Air Force service personnel	1,576	-	1,576	1,559	-	1,559
General donations	2,419	198	2,617	3,316	533	3,849
Government grants (Job Retention Scheme)	34	-	34	594	-	594
Legacy income	10,999	487	11,486	7,395	324	7,719
	15,028	685	15,713	12,864	857	13,721
Charitable activities						
Housing	964	20	984	974	20	994
Respite care	23	-	23	181	-	181
Loan interest	43	-	43	57	-	57
	1,030	20	1,050	1,212	20	1,232
Other trading activities						
Income from fundraising events	400	19	419	268	-	268
Trading income	147	-	147	92	-	92
	547	19	566	360	-	360
Investment income						
Dividends from pooled funds	2,268	216	2,484	2,742	112	2,854
Interest earned	-	-	-	6	-	6
Movement in share of joint venture	-	-	-	-	(115)	(115)
	2,268	216	2,484	2,748	(3)	2,745
RAF100 allocated the remaining balance of its funds in 2020. The 20% share of the joint venture has been adjusted to reflect this (see Note 11).						
Other income						
Gains on the sale of fixed assets	5,502	-	5,502	867	-	867
Pension interest income	213	-	213	213	-	213
	5,715	-	5,715	1,080	-	1,080
Total income	24,588	940	25,528	18,264	874	19,138

The gains on the sale of fixed assets includes the sale of Princess Marina House for £8M in December 2021 which generated a gain of £4.2M. The remainder of the gain (£1.3M) came from the disposal of eight Housing Trust properties.

3 ANALYSIS OF EXPENDITURE

	Direct costs	External grants	Support costs	Total 2021	Direct costs	External grants	Support costs	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	2,378	-	1,405	3,783	2,608	-	1,696	4,304
Regional engagement	495	-	-	495	501	-	-	501
Other trading activities	121	-	-	121	87	-	-	87
Investment management fees	303	-	-	303	215	-	-	215
	3,297	-	1,405	4,702	3,411	-	1,696	5,107
Charitable activities								
Direct support to individuals	8,013	-	1,470	9,483	13,675	-	1,881	15,556
Welfare programmes and grants	751	2,956	804	4,511	751	3,374	771	4,896
Respite care	1,105	-	172	1,277	3,732	-	198	3,930
Housing Trust support	1,487	-	899	2,386	824	-	822	1,646
	11,356	2,956	3,345	17,657	18,982	3,374	3,672	26,028
Total expenditure	14,653	2,956	4,750	22,359	22,393	3,374	5,368	31,135

See Note 22 for analysis of welfare programmes and grants relating to external grants.

4 ANALYSIS OF SUPPORT COSTS

	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	507	505	297	84	102	1,495
Depreciation and amortisation	136	109	82	40	663	1,030
General management and administration	129	125	74	22	26	376
Finance and payroll	274	319	152	10	47	802
HR	139	161	77	5	23	405
Governance	220	251	122	11	38	642
Total	1,405	1,470	804	172	899	4,750
	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	572	586	295	87	81	1,621
Depreciation and amortisation	204	164	111	50	657	1,186
General management and administration	172	175	80	26	25	478
Finance and payroll	278	359	104	11	21	773
HR	187	242	71	8	14	522
Governance	283	355	110	16	24	788
Total	1,696	1,881	771	198	822	5,368

5 STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	5,155	6,469
Social security costs	576	855
Pension costs	509	650
Termination and redundancy costs	172	743
Total	6,412	8,717

Due to the Covid-19 pandemic in 2020 the Board took the decision to close our respite care centre Princess Marina House (PMH) permanently with a loss of 114 posts. Prior year staff costs include termination and redundancy costs for 100 employees who worked at PMH.

The number of employees whose pay and benefits (excluding pension contributions) amounted to more than £60,000 in the year was as follows:

	2021	2020
	No.	No.
£60,001 - £70,000	6	11
£70,001 - £80,000	4	4
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	2
£110,001 - £120,000	2	1
£120,001 - £130,000	2	1
Total	16	21

15 employees (2020: 19) whose pay and benefits amounted to more than £60,000 in the year were members of the Group Personal Pension Plan, a money purchase scheme.

The average number of employees, calculated on a headcount basis, analysed by function was:

	2021	2020
	No.	No.
Charitable activities	56	139
Cost of generating funds	36	38
Governance, administration and support	25	29
Total	117	206

The average number of employees in charitable activities fell as result of the closure of PMH and the resulting staff redundancies made in September 2020.

6 KEY MANAGEMENT PERSONNEL

The key management personnel of the RAF Benevolent Fund are the Trustees and the Executive Leadership Team (ELT). Until September 2021, the latter included the Controller, the Chief of Staff, the Director of Welfare and Policy, the Director of Fundraising and Communications and the Director of Finance. From September 2021 the roles of the Chief of Staff and the Director of Finance were combined into one role, the Director of Resources. Total employee pay and benefits received by ELT for services to the Charity in 2021 were £601K (2020: £632K).

7 NET EXPENDITURE

	2021	2020
	£'000	£'000
Net expenditure for the year is stated after charging:		
Audit fees	64	66
Audit fees – additional fees re prior year audit	-	16
Investment management fees	303	215
Amortisation of intangible assets	168	177
Depreciation	863	1,008
Operating leases	48	68
Profit on disposal of fixed assets	(5,502)	(867)

8 TRUSTEES' REMUNERATION

The Trustees neither received nor waived any emoluments during the year 2021 (2020: £nil). Out-of-pocket expenses were reimbursed to Trustees as follows:

	2021	2020	2021	2020
	No.	No.	£	£
Travel	5	nil	1,209	nil

9 INTANGIBLE ASSETS

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Software costs				
Cost on 1 January	3,457	3,255	3,457	3,255
Additions during the year	81	202	81	202
Disposals during the year	(1,005)	-	(1,005)	-
Cost at 31 December	2,533	3,457	2,533	3,457
	-	-	-	-
Amortisation at 1 January	(3,183)	(3,006)	(3,183)	(3,006)
Amortisation for the year	(168)	(177)	(168)	(177)
Amortisation on disposals	1,005	-	1,005	-
Accumulated amortisation at 31 December	(2,346)	(3,183)	(2,346)	(3,183)
	-	-	-	-
Net book value 31 December	187	274	187	274

10 TANGIBLE FIXED ASSETS

	Group 2021			Charity 2021		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	43,565	2,340	45,905	12,703	2,340	15,043
Additions during the year	2,062	-	2,062	5	-	5
Disposals during the year	(6,724)	(1,978)	(8,702)	(5,441)	(1,978)	(7,419)
Cost at 31 December	38,903	362	39,265	7,267	362	7,629
Depreciation at 1 January	(11,528)	(2,318)	(13,846)	(3,920)	(2,318)	(6,238)
Depreciation for the year	(863)	-	(863)	(230)	-	(230)
Depreciation on disposals during the year	2,151	1,956	4,107	1,761	1,956	3,717
Accumulated depreciation at 31 December	(10,240)	(362)	(10,602)	(2,389)	(362)	(2,751)
Net book value 31 December 2021	28,663	-	28,663	4,878	-	4,878

	Group 2020			Charity 2020		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	43,107	2,519	45,626	12,275	2,519	14,794
Additions during the year	1,355	-	1,355	428	-	428
Disposals during the year	(897)	(179)	(1,076)	-	(179)	(179)
Cost at 31 December	43,565	2,340	45,905	12,703	2,340	15,043
Depreciation at 1 January	(10,827)	(2,416)	(13,243)	(3,582)	(2,416)	(5,998)
Depreciation for the year	(955)	(53)	(1,008)	(338)	(53)	(391)
Depreciation on disposals during the year	254	151	405	-	151	151
Accumulated depreciation at 31 December	(11,528)	(2,318)	(13,846)	(3,920)	(2,318)	(6,238)
Net book value 31 December 2020	32,037	22	32,059	8,783	22	8,805

10 TANGIBLE FIXED ASSETS (cont)

	2021		2020	
	Property	Equipment	Total	Total
	£'000	£'000	£'000	£'000
Net book value at 31 December is analysed as follows:				
Gulf Trust Fund (restricted fund)	129	-	129	134
Princess Marina House	-	-	-	3,680
RAFBF respite homes	403	-	403	407
Headquarters - London	4,346	-	4,346	4,562
Charity	4,878	-	4,878	8,805
RAFBF Housing Trust Ltd	23,785	-	23,785	23,254
Group	28,663	-	28,663	32,037
The net book value of properties comprises:				
Freehold	28,269		31,498	
Long leasehold	394		539	
	28,663		32,037	

Properties held by the RAF Benevolent Fund Housing Trust Limited support charitable activities. Properties are held so that beneficiaries, including wounded, injured or sick personnel who have been medically discharged from the RAF, can live in suitable, usually heavily adapted, accommodation. Properties are stated at historical cost and depreciated as per the policy stated in Note 1.

11 FIXED ASSET INVESTMENTS

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Market value as at 1 January	78,255	82,275	71,528	75,953
Additions	8,547	1,083	8,547	1,083
Withdrawals	(10,310)	(7,714)	(10,256)	(7,714)
Net investment gains	6,622	2,611	5,610	2,206
Market value at 31 December	83,114	78,255	75,429	71,528
Share of joint venture				
Joint venture RAF100 Appeal as at 1 January	-	115	-	-
Movement in share of joint venture	-	(115)	-	-
Joint venture RAF100 Appeal as at 31 December	-	-	-	-
Total fixed asset investments	83,114	78,255	75,429	71,528
Investments are represented by:				
Listed investments	79,797	74,529	72,112	67,802
Cash holdings in investments	2,771	3,194	2,771	3,194
RAF Disabled Holiday Trust Bonds	546	532	546	532
Total	83,114	78,255	75,429	71,528

The Charity is the only Trustee of the RAF Disabled Holiday Trust whose net assets to the value of £546K are included within investments. Also included is the Charity's share capital in the RAFBF Trading Co Limited of £1. The results of this subsidiary entity are shown in Note 27.

The RAF100 Appeal (established in January 2016) has largely been wound up. Its principal activity was to agree and coordinate plans and associated fundraising activities for the RAF centenary year. On completion of the joint venture project any surplus reserves will be distributed as agreed among the joint venture partners. The Charity's 20% share of the net assets of the joint venture is shown above as part of the total fixed asset investments. The investment and the net income attributable are calculated on the basis of the funds under the joint venture's control.

12 LOANS TO BENEFICIARIES

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Balance at 1 January	8,593	9,305	8,593	9,305
New loans	131	109	131	109
Interest charged	43	57	43	57
	8,767	9,471	8,767	9,471
Repayments	(815)	(776)	(815)	(776)
Loans converted to grants	(4)	(74)	(4)	(74)
Bad debts written off	-	(28)	-	(28)
Balance at 31 December	7,948	8,593	7,948	8,593

Loans are provided so that beneficiaries can continue to live in their own homes. Loan interest is charged depending on the nature of the case and, where applicable, the interest rate is substantially below commercial rates. The outstanding loans include balances totalling £7.9M (2020: £8.5M) which are secured by legal charges on the assets of the beneficiaries. The majority of loans have no fixed repayment date and are normally repayable from the beneficiary's estate. Provision for loan conversion is calculated at 10% of unsecured loans. Total outstanding unsecured loans at the year end are £91K (2020: £96K).

13 DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Legacies	9,901	6,558	9,901	6,558
Inter-company balance	-	-	11,253	11,232
Other debtors	576	535	462	456
Prepayments	146	180	147	166
	10,623	7,273	21,763	18,412

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	628	430	612	430
Taxation and social security costs	191	246	184	240
Accruals for grants payable	1,471	2,291	1,159	2,014
Other creditors	269	449	146	360
	2,559	3,416	2,101	3,044

15 PENSION COMMITMENTS

The RAF Benevolent Fund pension arrangements are as follows:

A Group Personal Pension Scheme made up of a collection of individual pension plans arranged by the Fund is provided by an insurance provider. This service has been provided by Royal London since November 2016. The liability of the employer is limited to the contributions it makes which amounted to £509K (2020: £650K) of which £nil remained payable at the year end (2020: £55K).

The RAF Benevolent Fund Staff Pension Fund is a defined benefit scheme. The scheme was closed to new members on 31 August 2005 and was closed to future accrual on 1 April 2014. The most recent actuarial valuation was carried out as at 31 December 2020. Under the schedule of contributions agreed as part of the actuarial valuation as at 31 December 2020, the employer paid £1M during 2021 (2020: £1M). The new deficit contribution plan agreed that the employer would make contributions at the rate of £100K per month until 31 October 2028.

	2021	2020
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(39,680)	(41,561)
Fair value of plan assets	26,215	25,030
Net defined benefit liability	(13,465)	(16,531)

The amounts recognised in the SOFA are as follows:

Net interest expense on net defined benefit liability	200	265
Total pension expense recognised in the SOFA	200	265

Reconciliation of defined benefit obligation over the year		
Defined benefit obligation as at 1 January	(41,561)	(37,767)
Interest expenses on defined benefit obligation	(511)	(740)
Remeasurement - effect of experience adjustments gain	317	268
Remeasurement - effect of changes in assumptions loss	762	(4,890)
Benefits paid	1,313	1,568

Defined benefit obligation as at 31 December	(39,680)	(41,561)
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Changes in the fair value of plan assets over the year:

Fair value of plan assets as at 1 January	25,030	24,039
Interest income on plan assets	311	475
Remeasurement - return on plan assets excluding interest income gain	1,187	1,084
Contributions by employer	1,000	1,000
Benefits paid	(1,313)	(1,568)

Fair value of plan assets as at 31 December	26,215	25,030
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Return on plan assets	1,498	1,559
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15 PENSION COMMITMENTS (cont)

	2021	2020
	£'000	£'000
Remeasurements recognised in SOFA		
Remeasurement - effect of experience adjustments gain	317	268
Remeasurement - effect of changes in assumptions gain/(loss)	762	(4,890)
Remeasurement - return on plan assets excluding interest income gain	1,187	1,084
Total remeasurement gain/(loss) recognised in SOFA	2,266	(3,538)

	2021		2020	
	£'000	%	£'000	%
Assets:				
Target Return Fund	25,744	98.2%	24,484	97.8%
Cash/other	471	1.8%	546	2.2%
	26,215	100%	25,030	100%

	2021	2020
Principal actuarial assumptions at the balance sheet date:		
Discount rate	1.8%	1.3%
RPI inflation rate	3.5%	3.0%
CPI inflation rate	2.9%	2.3%
Increases to pensions in deferment (CPI max 5%)	2.9%	2.3%
Increases to pensions in payment (CPI max 5%)	2.8%	2.3%
Commutation (% of pension)	25%	25%
Mortality - base table	S3PA	S2PA
Mortality - allowance for future improvements	CMI	CMI
	2020	2017
	1.0% LTR	1.0% LTR
Life expectancies from age 63:		
Male currently aged 63	86.6	86.7
Female currently aged 63	89.0	88.7
Male currently aged 43	87.6	87.9
Female currently aged 43	90.2	90.0

Amounts for current and previous four periods are as follows:

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(39,680)	(41,561)	(37,767)	(34,526)	(37,973)
Fair value of plan assets	26,215	25,030	24,039	22,231	22,958
Deficit	(13,465)	(16,531)	(13,728)	(12,295)	(15,015)

16 RELATED PARTY DISCLOSURE

Donations to the value of £505 (2020: £100) were received from individual Trustees in the year. Details of all inter-company transactions are shown in Note 27 on subsidiary entities. There were no other related party transactions.

17 ULTIMATE CONTROLLING PARTY

The Trustees do not consider there to be an ultimate controlling party.

18 CAPITAL COMMITMENTS

There are no major planned capital commitments for 2022.

19 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible, intangible fixed assets	28,721	32,199	129	134	-	-	28,850	32,333
Investments	73,248	68,715	2,922	3,207	6,944	6,333	83,114	78,255
Loans to beneficiaries	7,948	8,455	-	138	-	-	7,948	8,593
Current assets	14,807	7,918	2,808	2,249	460	505	18,075	10,672
Current liabilities	(2,085)	(2,897)	-	-	(474)	(519)	(2,559)	(3,416)
Pension liability	(13,465)	(16,531)	-	-	-	-	(13,465)	(16,531)
Total net assets	109,174	97,859	5,859	5,728	6,930	6,319	121,963	109,906

20 OPERATING LEASES

At 31 December 2021 the group had total annual commitments under non-cancellable operating leases, all for office equipment and vehicles, as follows:

	2021	2020
	£	£
Payments due: office equipment and vehicles		
Within one year	61,629	25,364
Within two to five years	47,468	22,434
Total	109,097	47,798

21 CONTINGENT LIABILITY

The last triennial valuation of the Staff Pension Fund (SPF) identified a deficit of £12.275M as at 31 December 2020, on an agreed prudent funding basis. The Charity is required to enter into a Recovery Plan to extinguish the deficit. The plan commits the Charity to making annual payments of £1.2M until the earlier of 31 October 2028 or such date as when the deficit is extinguished.

The Trustees of the RAF Benevolent Fund have granted a legal mortgage over the Charity's head office at 67 Portland Place and 45 Devonshire Close, London, in favour of the Trustee of the SPF.

This charge is to secure future payments from the Charity to the SPF to extinguish the deficit. The obligation secured by the mortgage is in accordance with applicable statutory requirements. The Trustees have also complied with the requirements of section 124 of the Charities Act 2011 to obtain and consider proper advice.

A formal valuation of the property which is held on a long leasehold (virtual freehold) interest, was carried out in August 2019 and the market value was placed at £11M. This property is shown at a net book value of £4.2M in the balance sheet.

22 WELFARE PROGRAMMES AND GRANTS

	2021	2020
	£	£
GRANT FUNDING TO THE SERVING ROYAL AIR FORCE		
General welfare		
Citizens Advice Station Outreach Clinic		
Mid Lincolnshire CAB (RAF Digby, Coningsby, Cranwell)	-	4,000
	-	4,000
Station grants		
603 RAuxAF Sqn Edinburgh	500	-
RAF Akrotiri	35,500	38,546
RAF Benson	500	1,970
RAF Boulmer	-	386
MOD Boscombe Down	500	-
RAF Brize Norton	26,694	16,113
RAF Coningsby	500	2,870
RAF Corsham (MOD)	-	1,015
RAF Cosford	500	2,500
RAF College Cranwell	6,500	7,425
Defence Animal Training Regiment	4,739	-
RAF Digby	250	2,500
RAF Episkopi	3,416	9,539
RAF Fylingdales	500	13,712
RAF Halton	4,974	3,952
RAF Henlow	500	1,856
RAF High Wycombe (2020 unspent balance for previous awards)	500	(49,368)
RAF Honington	79,541	1,089
RAF Leeming	-	19,950
RAF Lossiemouth	500	7,888
RAF Marham	500	5,510
RAF Naples JFC	-	3,739
RAF Northolt	14,008	394

	2021	2020
	£	£
RAF Odiham	500	1,880
RAF Scampton	500	13,662
RAF Spadeadam	-	610
RAF St Mawgan	-	1,990
RAF Valley	9,994	6,395
RAF Waddington	500	8,791
RAF Wittering	2,000	40,421
MOD Worthy Down	3,000	-
RAF Wyton	-	2,219
RAF(U) Swanwick	-	650
	197,116	168,204
TOTAL GRANT FUNDING TO THE SERVING ROYAL AIR FORCE	197,116	172,204

CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE

Airplay programme

RAF stations - youth support programme	1,250,497	935,139
RAF stations - Ben Play parenting and play parks	58,621	770,554
	1,309,118	1,705,693

General support

RAF Families Federation	15,000	15,000
Relate - Building Stronger Families	3,000	21,624
	18,000	36,624

TOTAL CONTRACTED SERVICES TO THE SERVING ROYAL AIR FORCE	1,327,118	1,742,317
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TOTAL GRANTS AND CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE	1,524,234	1,914,521
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CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES

Wellbeing partnerships

Headspace (mental wellbeing)	67,511	71,424
Silver Line/Age UK	144,419	94,022
Work Stress Management (listening and counselling)	335,889	343,452
Manage Health (listening and counselling)	272,532	66,540
Relate (young people listening and counselling)	43,130	18,216
Anxiety UK (listening and counselling)	-	32,887
GamCare (gambling support)	2,400	-
Workshop and coaching	22,300	9,600
	888,181	636,141

Relationship support

Relate - relationship counselling/mediation	144,665	130,163
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TOTAL CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	1,032,846	766,304
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	2021	2020
	£	£
GRANT FUNDING TO THE VETERAN COMMUNITY		
Addaction	-	15,000
Age Concern Spain - ACASA	10,000	17,000
Age UK Portsmouth	-	8,000
Alabare Christian Care Centres	13,000	-
Bridge For Heroes	-	5,000
British Embassy Slovakia	3,120	-
British Nuclear Test Veterans Association	3,000	-
Combat Stress	76,000	167,120
Czech Veterans	-	4,732
Defence Medical Welfare Service	13,000	15,000
Fares4Free	-	7,000
Farm-Able Foundation	4,000	-
Fighting With Pride	17,000	-
Goodwill Solutions - The Learning Academy	-	3,000
ILM Highland	-	7,500
Improving Lives Plymouth	-	5,000
International Bomber Command Memorial	150	-
Medical Emergency Response Team (MERT) Club	6,000	-
Military Wives Choir Foundation	-	10,000
National Gulf Veterans and Families Association	7,500	10,000
Not Forgotten Association	7,500	-
On Course Foundation	3,000	5,000
PAFA	750	-
Polish Veterans	4,680	6,240
Poppy Scotland - ASAP	20,000	20,000
Project Propeller	-	5,000
RAF Widows' Association	-	34,712
Royal Commonwealth Ex-Services League (includes support towards caseworking costs)	20,000	35,473
Save the Skymaster	3,500	-
Scotty's Little Soldiers	-	6,000
Spinal Injuries Association	-	10,000
SSAFA, the Armed Forces Charity (includes support towards caseworking costs)	30,720	65,275
Stoll	12,000	12,000
Team Endeavour Racing	-	4,000
The Gwennili Trust	-	2,000
The Ripple Pond	-	2,500
Veterans Outreach Support	-	10,000
Waterloo Uncovered	1,800	3,000
Widows' Association of Great Britain	-	5,000
Workplace Chaplaincy Scotland	2,500	-
	259,220	500,552

	2021	2020
	£	£
Employment support		
The Poppy Factory	-	15,000
HighGround	-	10,000
Regular Forces Employment Association	62,436	111,037
Walking With The Wounded	7,000	-
The Warrior Programme	8,000	-
	77,436	136,037
Housing support		
Broughton House	18,000	33,000
Royal British Legion Industries	2,000	-
Veterans Aid	15,000	15,000
Queen Elizabeth Hospital Birmingham Hospital Charity - Fisher House	10,000	5,000
	45,000	53,000
Residential and respite care		
Care for Veterans	15,000	-
The Curphey Home	2,000	-
	17,000	-
TOTAL GRANT FUNDING TO THE VETERAN COMMUNITY	398,656	689,589
TOTAL GRANT AND CONTRACTED SERVICES PAYMENTS TO THIRD PARTIES	2,955,736	3,370,414
Total contracted services	2,359,964	2,508,621
Total discretionary grants	595,772	861,793
TOTAL COST OF SUPPORT THROUGH GRANT AND CONTRACTED SERVICES	2,955,736	3,370,414

23 STATEMENT OF FUNDS

	At 1 January 2021	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2021	Charity at 31 December 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	96,986	24,193	(19,329)	4,832	(13,105)	93,577	79,948
Designated funds - see Note 24	17,404	395	(1,804)	958	12,109	29,062	21,000
Pension reserve	(16,531)	-	(200)	2,266	1,000	(13,465)	(13,465)
Total unrestricted funds	97,859	24,588	(21,333)	8,056	4	109,174	87,483
Restricted income funds - see Note 25	5,728	940	(1,026)	221	(4)	5,859	5,859
Endowment funds - see Note 26	6,319	-	-	611	-	6,930	6,930
Total funds	109,906	25,528	(22,359)	8,888	-	121,963	100,272

	At 1 January 2020	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2020	Charity at 31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	99,765	17,873	(22,163)	1,844	(333)	96,986	84,298
Designated funds - see Note 24	23,690	391	(6,831)	406	(252)	17,404	10,387
Pension reserve	(13,728)	-	(265)	(3,538)	1,000	(16,531)	(16,531)
Total unrestricted funds	109,727	18,264	(29,259)	(1,288)	415	97,859	78,154
Restricted income funds - see Note 25	7,076	874	(1,876)	69	(415)	5,728	5,728
Endowment funds - see Note 26	6,027	-	-	292	-	6,319	6,319
Total funds	122,830	19,138	(31,135)	(927)	-	109,906	90,201

Unrestricted funds

The sum of £29.1M (2020: £17.4M) is included in unrestricted funds and relates to the following designated reserves:

£8.1M (2020: £7M)	Reserves held by the RAF Dependants Fund to relieve immediate financial distress in the event of the death of a subscriber by giving a tax-free grant, payable at the discretion of the Fund
£nil (2020: £1.2M)	Fundraising development and systems upgrade
£nil (2020: £2.7M)	Investment in Airplay programmes on RAF stations
£8.2M (2020: £nil)	Pension deficit recovery contributions based on a revised recovery plan to pay £100K per month up to October 2028
£12.8M (2020: £6.5M)	Enhanced welfare provision to advance our strategic ambitions, enhance our welfare delivery and build on our success

The transfer of £1M (2020: £1M) from general reserves to the pension reserve represents the Fund's contribution paid into the defined benefit pension scheme in the year.

Restricted income funds - over £100K

Bomber Command Memorial	Maintenance of the Bomber Command Memorial in Green Park, Piccadilly
Gulf Trust	These funds are held in a ring-fenced fund for the benefit of RAF Gulf War veterans
Lowe Trust	Supports Battle of Britain veterans and their descendants
Respite Care - LIBOR	LIBOR funding received to increase and develop our respite care provision
RAF Disabled Holiday Trust	Providing holidays to severely disabled serving and ex-RAF personnel and their immediate dependants
Afghan Brain Injury	Support to veterans of Afghanistan who have sustained a brain injury
Royal Observer Corps	Support to veterans of the Royal Observer Corps

Endowment funds - over £100K

E H Jubb Fund	For the benefit of aircrew, their widows and dependants
Newton Driver Memorial Fund	For the maintenance and upkeep of property used as a home for members of the RAF and their dependants who are convalescent or disabled. If the income cannot be used for this purpose it can be applied for general purposes of the Fund
Viscount Nuffield Endowment	Income used for general purposes
Hector Pilling Memorial Fund	To provide financial assistance for foundationers at the Duke of Kent School
RAF Prize Trust	To help with the education of dependants of deceased members of the RAF killed on duty or attributable to Service
Douglas Turner Benefaction	To be used for the assistance or benefit, including education, of former or future pilots and navigators and their dependants
RAFBF Educational Endowment Fund	To promote the education of the children of members of the Royal Air Force
RAFBF Educational Expendable Fund	To promote the education of the children of members of the Royal Air Force
Peter Henry Slater-Eiggert Memorial Fund	For the benefit of ex-members and dependants of 83 Squadron
The Revd. James Edmund Strickland Memorial Fund	For the use of general purposes of the Royal Air Force Benevolent Fund

24 DESIGNATED FUNDS

	At 1 January 2021	Income	Expenditure	Net gains	Transfers At 31 December 2021	
	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising development and systems upgrade	1,209	-	(391)	-	(818)	-
Investment in Airplay programmes	2,692	-	(1,059)	-	(1,633)	-
New and enhanced welfare services	6,486	-	(46)	-	(6,440)	-
Pension deficit recovery contributions	-	-	-	-	8,200	8,200
Enhanced welfare provision	-	-	-	-	12,800	12,800
Total designated funds - Charity	10,387	-	(1,496)	-	12,109	21,000
RAF Dependants Fund	7,017	395	(308)	958	-	8,062
Total designated funds - Group	17,404	395	(1,804)	958	12,109	29,062

	At 1 January 2020	Income	Expenditure	Net gains	Transfers At 31 December 2020	
	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising development and systems upgrade	1,970	-	(509)	-	(252)	1,209
Investment in Airplay programmes	3,567	-	(875)	-	-	2,692
New and enhanced welfare services	5,197	-	(4,080)	-	5,369	6,486
Reaching out campaign and associated additional costs	6,444	-	(1,075)	-	(5,369)	-
Total designated funds - Charity	17,178	-	(6,539)	-	(252)	10,387
RAF Dependants Fund	6,512	391	(292)	406	-	7,017
Total designated funds - Group	23,690	391	(6,831)	406	(252)	17,404

25 RESTRICTED FUNDS

	As at 1 January 2021	Income	Expenditure	As at 31 December 2021	As at 1 January 2020	Income	Expenditure	As at 31 December 2020
	£	£	£	£	£	£	£	£
Education								
Group Captain W E Purdin Memorial Fund	100	101	(201)	-	-	100	-	100
RAF Prize Trust	-	8,884	(8,884)	-	-	8,771	(8,771)	-
RAFBF Educational Endowment Fund	-	19,999	-	19,999	-	19,746	(19,746)	-
RAFBF Educational Expendable Fund	2,011	5,518	(7,529)	-	-	5,541	(3,530)	2,011
RAFBF Education	-	23,247	(23,247)	-	-	4,057	(4,057)	-
Douglas Turner Benefaction	4,700	4,760	(9,460)	-	-	4,700	-	4,700
	6,811	62,509	(49,321)	19,999	-	42,915	(36,104)	6,811
Princess Marina House and respite care								
Princess Marina House Amenities Fund	-	-	-	-	64,884	-	(64,884)	-
Princess Marina House Shencot/Seacot House	-	1,030	(1,030)	-	-	10,472	(10,472)	-
The April Fools' Club - serving respite care	-	-	-	-	109,188	-	(109,188)	-
	-	1,030	(1,030)	-	174,072	10,472	(184,544)	-
Housing								
Housing Trust General Restricted Fund	-	108,156	(29,181)	78,975	-	153,100	(153,100)	-
Housing adaptations (Lincoln)	-	5,000	(5,000)	-	-	-	-	-
The Hobson Charity - property adaptations	-	-	-	-	-	10,000	(10,000)	-
	-	113,156	(34,181)	78,975	-	163,100	(163,100)	-
Other								
Bomber Command Memorial	2,652,758	361,867	(58,728)	2,955,897	2,512,584	210,746	(70,572)	2,652,758
Gulf Trust	430,001	20,254	-	450,255	410,111	19,890	-	430,001
	3,082,759	382,121	(58,728)	3,406,152	2,922,695	230,636	(70,572)	3,082,759
Welfare programmes								
Aged Veteran Fund	230	125	(355)	-	-	230	-	230
Aged Veteran Lunch Club	-	-	-	-	4,716	-	(4,716)	-
Airplay	-	31,000	(31,000)	-	-	60,000	(60,000)	-
Armed Forces Covenant Fund	-	9,120	-	9,120	-	158,500	(158,500)	-
Capital Project Childcare Facility	-	-	-	-	-	27,000	(27,000)	-
Caseworking Transformation Project	-	-	-	-	-	24,053	(24,053)	-
Mrs H M Jerham Memorial Fund	2,928	1,097	-	4,025	2,928	-	-	2,928
RAF stations	-	100	(100)	-	-	18,877	(18,877)	-
Bereavement support	-	-	-	-	2,506	-	(2,506)	-
Mental health services	104	832	(936)	-	-	104	-	104
Youth mental health (Lossiemouth)	-	15,907	-	15,907	-	-	-	-
MBDA Fund	-	-	-	-	-	9,790	(9,790)	-
Restricted to RAF Valley	-	42,678	(9,994)	32,684	9,449	-	(9,449)	-
Restricted to serving RAF	-	-	-	-	-	7,975	(7,975)	-
Restricted to serving RAF (LIBOR)	-	-	-	-	473,932	-	(473,932)	-
	3,262	100,859	(42,385)	61,736	493,531	306,529	(796,798)	3,262

25 RESTRICTED FUNDS (cont)

	As at 1 January 2021	Income	Expenditure	As at 31 December 2021	As at 1 January 2020	Income	Expenditure	As at 31 December 2020
	£	£	£	£	£	£	£	£
Individual welfare								
Advice and Advocacy	-	8,966	(8,966)	-	5,748	10,183	(15,931)	-
Afghan Brain Injury	226,728	495	-	227,223	226,728	-	-	226,728
Afghan: LIBOR	366	-	(366)	-	189,316	-	(188,950)	366
Various legacies - beneficiaries in Lossiemouth	-	10,000	-	10,000	-	-	-	-
Various legacies - beneficiaries in Scotland	-	293,131	(246,285)	46,846	-	57,924	(57,924)	-
RAF Disabled Holiday Trust	554,312	15,323	-	569,635	575,760	10,321	(31,769)	554,312
Fulmer Fund	211,278	-	(145,176)	66,102	240,555	-	(29,277)	211,278
Garden maintenance	-	-	-	-	-	7,500	(7,500)	-
General welfare (individual)	-	6,600	(6,600)	-	-	10,000	(10,000)	-
General welfare (mobility aid)	-	1,500	(1,500)	-	-	7,500	(7,500)	-
General welfare (respite and care)	-	15,000	(3,495)	11,505	-	-	-	-
General welfare - Devon, Cornwall & Somerset	300	3,600	(3,900)	-	-	300	-	300
Lowe Trust	572,209	-	-	572,209	572,209	-	-	572,209
Restricted to Isle of Wight	-	-	-	-	-	5,000	(5,000)	-
Restricted to Bedford (veterans)	-	3,000	(2,790)	210	-	-	-	-
Restricted to Birmingham (veterans)	-	800	(800)	-	-	-	-	-
Restricted to Cheshire (veterans)	-	1,000	(1,000)	-	-	-	-	-
Restricted to Essex (veterans)	-	5,000	(5,000)	-	-	-	-	-
Restricted to Scotland	65,030	9,500	(74,530)	-	-	74,500	(9,470)	65,030
Restricted to Suffolk	-	250	(250)	-	-	-	-	-
Restricted to South East England	-	3,000	-	3,000	-	-	-	-
Restricted to North of England	-	1,500	(1,500)	-	-	10,000	(10,000)	-
Restricted to Lincolnshire (veterans)	-	12,000	(12,000)	-	-	-	-	-
Restricted to Liverpool (veterans)	-	5,000	(2,057)	2,943	-	-	-	-
Restricted to Leicester (veterans)	-	1,500	-	1,500	-	-	-	-
Restricted to Norfolk (veterans)	-	3,000	(3,000)	-	-	-	-	-
Restricted to Yorkshire (veterans)	-	2,000	(2,000)	-	-	-	-	-
Restricted to Nottinghamshire (veterans)	-	3,500	(3,225)	275	-	-	-	-
Improving social isolation	-	19,974	(7,000)	12,974	-	-	-	-
Royal Observer Corps	58,640	75,000	(22,124)	111,516	-	100,000	(41,360)	58,640
Stafford Trust	15,120	-	(15,120)	-	-	15,120	-	15,120
Scotland veterans over 65	-	-	-	-	-	25,000	(25,000)	-
	1,703,983	500,639	(568,684)	1,635,938	1,810,316	333,348	(439,681)	1,703,983
Respite care - LIBOR Funds								
Respite care lunch clubs	-	-	-	-	71,838	-	(71,838)	-
Respite care property	135,433	-	(6,859)	128,574	441,317	-	(305,884)	135,433
Respite breaks and care hotels	280,324	-	(25,911)	254,413	316,550	-	(36,226)	280,324
Contribution to Community Engagement Workers	431,847	-	(219,349)	212,498	591,240	-	(159,393)	431,847
Management support	85,684	-	(25,212)	60,472	142,101	-	(56,417)	85,684
	933,288	-	(277,331)	655,957	1,563,046	-	(629,758)	933,288
RAF100 Appeal - 20% share in joint venture	-	-	-	-	114,758	-	(114,758)	-
Total restricted funds	5,730,103	1,160,314	(1,031,660)	5,858,757	7,078,418	1,087,000	(2,435,315)	5,730,103

26 ENDOWMENT FUNDS

The purpose of funds exceeding £100K is set out under Note 23.

	As at 1 January 2021	Unrealised gain	As at 31 December 2021	As at 1 January 2020	Unrealised gain	As at 31 December 2020
	£	£	£	£	£	£
Permanent endowment funds with unrestricted income						
Pilot Officer J P L Branson Memorial Fund	51,494	4,981	56,475	49,117	2,377	51,494
Pilot Officer James Erskine Cuning Memorial Fund	48,461	4,688	53,149	46,224	2,237	48,461
Flying Officer L S Delaney Trust	14,076	1,362	15,438	13,426	650	14,076
Paddy Finucane Memorial Fund	20,972	2,029	23,001	20,004	968	20,972
Louise Alice Kay Memorial Fund	43,324	4,191	47,515	41,324	2,000	43,324
Mosquito Memorial Fund	12,174	1,178	13,352	11,612	562	12,174
Flying Officer Douglas Frank Newsham Memorial Fund	38,680	3,741	42,421	36,894	1,786	38,680
Viscount Nuffield Endowment	1,119,759	108,315	1,228,074	1,068,063	51,696	1,119,759
Helen Mary Renton Fund	45,707	4,421	50,128	43,597	2,110	45,707
RAF Rugby Union Fund	53,753	5,199	58,952	51,271	2,482	53,753
Peter Henry Slater-Eiggert Memorial Fund	154,240	14,920	169,160	147,119	7,121	154,240
The Revd. James Edmund Strickland Memorial Fund	111,098	10,747	121,845	105,969	5,129	111,098
	1,713,738	165,772	1,879,510	1,634,620	79,118	1,713,738
Expendable endowment funds with unrestricted income						
Flying Officer William Dron Memorial Fund	2,598	251	2,849	2,478	120	2,598
Frederick Eley Fund	5,006	484	5,490	4,775	231	5,006
Wing Commander J Higginson Fund	10,224	989	11,213	9,752	472	10,224
Peter Grattan Holt Memorial Fund	53,282	5,154	58,436	50,822	2,460	53,282
E H Jubb Fund	354,883	34,328	389,211	338,499	16,384	354,883
Middle East Relief Fund	45,323	4,384	49,707	43,231	2,092	45,323
Morley Fund	7,429	719	8,148	7,086	343	7,429
Orlebar Memorial Fund	8,407	813	9,220	8,019	388	8,407
Shattock Memorial Scholarship Fund	12,624	1,221	13,845	12,041	583	12,624
Wooding Memorial Fund	9,006	871	9,877	8,590	416	9,006
	508,782	49,214	557,996	485,293	23,489	508,782
Permanent endowment funds where the use of the income is restricted						
Newton Driver Memorial Fund	2,273,650	219,932	2,493,582	2,168,682	104,968	2,273,650
Group Captain W E Purdin Memorial Fund	2,903	281	3,184	2,769	134	2,903
RAFBF Educational Endowment Fund	575,758	55,694	631,452	549,177	26,581	575,758
Douglas Turner Benefaction	137,050	13,257	150,307	130,723	6,327	137,050
	2,989,361	289,164	3,278,525	2,851,351	138,010	2,989,361
Expendable endowment funds where the use of the income is restricted						
Mrs H M Jerham Memorial Fund	31,586	3,055	34,641	30,128	1,458	31,586
Hector Pilling Memorial Fund	669,254	64,738	733,992	638,356	30,898	669,254
RAF Prize Trust	255,759	24,740	280,499	243,951	11,808	255,759
RAFBF Educational Expendable Fund	151,083	14,614	165,697	144,108	6,975	151,083
	1,107,682	107,147	1,214,829	1,056,543	51,139	1,107,682
Total endowment funds	6,319,563	611,297	6,930,860	6,027,807	291,756	6,319,563

27 SUBSIDIARY ENTITIES

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

	RAFBF Trading Ltd		RAF Dependants Fund		RAF Dependants Income Trust Ltd		RAFBF Housing Trust Ltd		RAF Disabled Holiday Trust		Subsidiary entities	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:												
Donations and legacies	-	-	44	-	-	-	115	8	2	10	161	18
Investments	-	-	213	209	-	-	-	-	-	-	213	209
Other trading activities	143	108	-	-	-	-	-	-	-	-	143	108
Charitable activities	-	-	-	-	-	-	964	974	-	-	964	974
Profit on sale of properties	-	-	-	-	-	-	1,297	876	-	-	1,297	876
Subscriptions	-	-	182	182	31	31	-	-	-	-	213	213
	143	108	439	391	31	31	2,376	1,858	2	10	2,991	2,398
Expenditure on:												
Charitable activities	101	58	280	263	-	-	1,687	1,770	24	2	2,092	2,093
Other trading activities	34	41	-	-	-	-	-	-	-	-	34	41
Management and administration	8	9	28	29	31	31	-	-	-	-	67	69
	143	108	308	292	31	31	1,687	1,770	24	2	2,193	2,203
Net gains/(loss) on investment assets	-	-	958	406	-	-	-	-	14	(25)	972	381
Net result of subsidiary	-	-	1,089	505	-	-	689	88	(8)	(17)	1,770	576

RAFBF Trading Limited

Company number: 07768120

A company set up for the RAF Benevolent Fund to conduct trading in support of its charitable objectives. The company donated £101,300 to the Fund in 2021 which is shown in charitable activities in the above table (2020: £58,468). The inter-company balance owed to the Fund at year end was £132,542 (2020: £66,409). The net assets at year end were £1 (2020: £1).

RAF Dependants Fund

Charity number: 253492

A charity with the RAF Benevolent Fund as custodian Trustee. Set up to promote the efficiency of the RAF through relieving dependants of deceased serving personnel from financial distress. There were 16 deaths in 2021 (2020: 15) and the dependants were paid £17,500 in each case. The inter-company balance owed to the Charity at year end was £3,926 (2020: £3,042). The net assets at year end were £8,106,464 (2020: £7,017,317).

RAF Dependants Income Trust Limited

Company number: 01285364

A company set up for RAF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were 7 member deaths in 2021 (2020: 10) and beneficiaries received payments made on behalf of the Trust by the underwriters Aviva. The company donated £nil to the Charity in 2021 (2020: £nil). The inter-company balance owed to the Charity at year end was £5,103 (2020: £3,595). The net assets at year end were £3,339 (2020: £3,339).

RAF Benevolent Fund Housing Trust Limited

Company number: 1058896
Charity number: 264636
Scottish registered number: SCO38218

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to hold and operate properties of beneficiaries of the RAF Benevolent Fund. The inter-company balance owed to the Fund at year end was £11,366,322 (2020: £11,159,566). The net assets at year end were £13,373,342 (2020: £12,684,037).

RAF Disabled Holiday Trust

Charity number: 286019

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to provide holidays to disabled serving and former members of the RAF and their dependants. The Trust purchases holiday bonds which entitles it to book holidays in the UK and Europe for its beneficiaries. The inter-company balance owed by the Charity at year end was £19,531 (2020: £2,629). The net assets at year end were £546,124 (2020: £554,312). RAF Benevolent Fund Gift in Kind amounted to £nil (2020: £nil).

SUBSIDIARY ORGANISATIONS

RAF BENEVOLENT FUND HOUSING TRUST LIMITED

Companies House: 01058896
Charity Commission: 264636
OSCR: SC038218

Directors/Trustees:

Air Vice-Marshal Chris Elliot (Chair)
Patrick Aylmer (from 1 July 2021)
Al Bennett (until 27 May 2021)
Wing Commander Sarah Davis
Victoria Fakehinde
Air Commodore Paul Hughesdon
Emrys Rogers

RAFBF TRADING LIMITED

Companies House: 07768120

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Alison Benjamin (from 15 October 2021)
Graeme Craig
James Dooley
Victoria Fakehinde
Graeme Shankland (until 7 July 2021)
Jason Shauness (from 6 July 2021)
Mike Straney (until 23 April 2021)

RAF DISABLED HOLIDAY TRUST

Charity Commission: 286019

Trustee:

Royal Air Force Benevolent Fund (Reg Charity: 1081009)

RAF DEPENDANTS INCOME TRUST LIMITED

Companies House: 01285364

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Group Captain Jacqueline East (until 11 May 2021)
Group Captain Colin Owen (from 11 May 2021 to 13 December 2021)
Frances Brindle (until 21 December 2021)
Richard Cryer (from 15 October 2021)
Victoria Fakehinde
Air Commodore Paul Hughesdon
Sarah Meek (from 15 October 2021 to 25 February 2022)
Graeme Shankland (until 7 July 2021)

RAF DEPENDANTS FUND

Charity Commission: 253492

Trustee:

Royal Air Force Benevolent Fund (Reg Charity: 1081009)

Management Committee members:

Air Vice-Marshal Chris Elliot (Chair)
Group Captain Jacqueline East (until 11 May 2021)
Group Captain Colin Owen (from 11 May 2021 to 13 December 2021)
Frances Brindle (until 21 December 2021)
Richard Cryer (from 15 October 2021)
Victoria Fakehinde
Air Commodore Paul Hughesdon
Sarah Meek (from 15 October 2021 to 25 February 2022)
Graeme Shankland (until 7 July 2021)

Scheme Manager:

Andy Cairns

RAF BENEVOLENT FUND TRUSTEES LIMITED (DORMANT)

Companies House: 00945083

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Patrick Aylmer (from 1 July 2021)
Wing Commander Sarah Davis
Victoria Fakehinde
Air Commodore Paul Hughesdon
Al Bennett (until 27 May 2021)
Emrys Rogers

ROYAL OBSERVER CORPS BENEVOLENT FUND (DORMANT)

Charity Commission: 209640

OSCR: SC037659

Trustee:

Royal Air Force Benevolent Fund (Reg Charity: 1081009)

RAFBF PROPERTY COMPANY LIMITED

Companies House: 10456754

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Richard Ingham (until 25 March 2021)
Air Vice-Marshal Elaine West (until 23 April 2022)
Air Commodore Paul Hughesdon
Victoria Fakehinde



Find out more about our
impact and our work at
rafbf.org.uk/impact

Royal Air Force Benevolent Fund
67 Portland Place
London
W1B 1AR

0300 102 1919
mail@rafbf.org.uk

The RAF Benevolent Fund is a registered
charity in England and Wales (1081009)
and Scotland (SCO38109)



Cobseo
The Confederation
of Service Charities



Registered with
**FUNDRAISING
REGULATOR**

Accounts

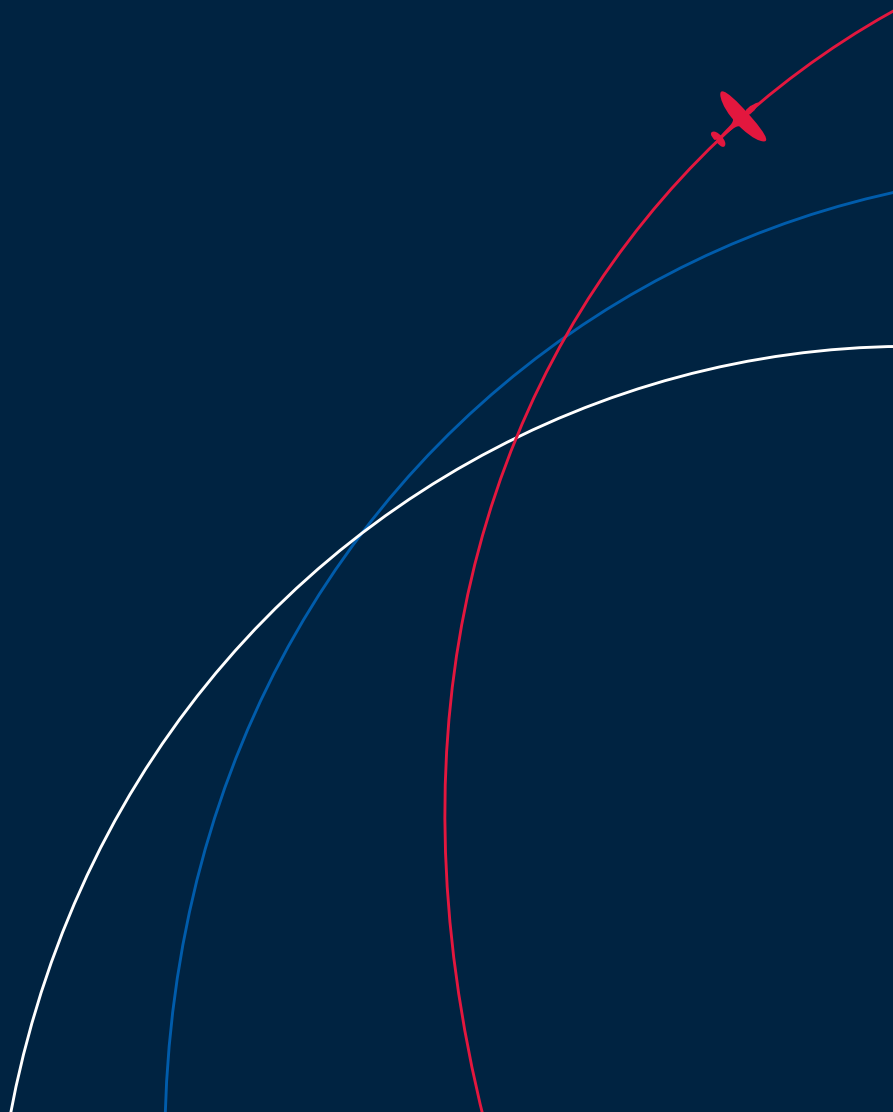


**Royal Air Force
Benevolent Fund**

ANNUAL REPORT

2020

TRUSTEES' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 DECEMBER 2020



PRINCIPALS, TRUSTEES AND SENIOR MANAGEMENT TEAM

PATRON

Her Majesty The Queen

PRESIDENT

HRH The Duke of Kent KG
GCMG GCVO ADC(P)

LIFE VICE-PRESIDENTS

Marshal of the Royal Air Force
The Lord Craig of Radley GCB
OBE MA DSc FRAeS

Air Chief Marshal Sir Michael
Graydon GCB CBE ADC FRAeS

Air Chief Marshal Sir Stephen
Hillier GCB CBE DFC ADC MA

Air Chief Marshal Sir Richard
Johns GCB KCVO CBE FRAeS

Air Chief Marshal Sir Roger
Palin KCB OBE MA FRAeS FIPD

Lady Hillier

Lady Humphrey OBE
(died 3 January 2021)

VICE-PRESIDENT

John Isabel

COUNCIL

Chair

Lawrie Haynes DEng BA (Hons)
FCILTR FRSA

Deputy Chair

The Viscount Trenchard
of Wolfeton DL

Honorary Treasurer

Dr Stephen Critchley MA
(Hons) DPhil FCA (until
26 November 2020)

Alastair Irvine BA (Hons) MCSI
(from 26 November 2020)

Members

Air Chief Marshal Sir Michael
Wigston KCB CBE ADC RAF

Air Marshal Andrew Turner
CB CBE MA MSc BA FRAeS
CCMI RAF

Air Vice-Marshal John Cliffe
CB OBE

Air Vice-Marshal Simon
Dougherty MBE MSc
MBBS FRCP FFOM DAvMed
DObstRCOG FCMI FRAeS
(until 1 June 2020)

Air Commodore Ro Atherton
(until 14 December 2020)

Frances Brindle MSc BSc (Hons)

David Cheyne MA (Cantab)

Wing Commander Marie-Noelle
Orzel OBE QVRM MSc PGDE
RGN RSCN (from 1 June 2020)

TRUSTEES

Chair

Lawrie Haynes DEng BA (Hons)
FCILTR FRSA

Honorary Treasurer

Dr Stephen Critchley MA (Hons)
DPhil FCA (until 26 November
2020)

Alastair Irvine BA (Hons) MCSI
(from 26 November 2020)

Members

Kathryn Adamson
(until 23 October 2020)

Allyson Arnold MSc BScN
(Hons) (from 1 June 2021)

Patrick Aylmer FCA
(from 1 June 2021)

Alison Benjamin BA (Hons)
(from 1 June 2021)

Frances Brindle MSc BSc (Hons)

Sarah Casemore MBA
(from 1 June 2021)

David Cheyne MA (Cantab)

Graeme Craig MA

Richard Cryer MA (Cantab) FCA
(from 1 June 2021)

Wing Commander Sarah Davis
MBA MSc FCIPD
(from 1 June 2020)

Air Vice-Marshal Simon
Dougherty MBE MSc
MBBS FRCP FFOM DAvMed
DObstRCOG FCMI FRAeS
(until 1 June 2020)

Richard Ingham
(until 25 March 2021)

Wing Commander Marie-Noelle
Orzel OBE QVRM MSc PGDE
RGN RSCN

Graeme Shankland

Air Vice-Marshal Elaine West
CBE

SENIOR MANAGEMENT TEAM

Controller

Air Vice-Marshal The
Honourable David Murray
CVO OBE (until 20 April 2020)

Air Vice-Marshal Chris Elliot
CB CBE MA BSc
(from 20 April 2020)

Chief of Staff/Director of Governance

Air Commodore Paul Higgins
MA BA (Hons) FCILT FCMI

Director of Finance

Victoria Fakehinde BSc (Hons)
ACMA CGMA

Director of Fundraising and Communications

John Trampleasure
(until 1 May 2020)

Mike Straney (from 4 May
2020 until 30 April 2021)

Jason Shauness BEc (Hons)
Grad Dip REM (from 24 May
2021)

Director of Welfare and Policy

Air Commodore Paul
Hughesdon MA

CENTENARY CAMPAIGN ADVISORY BOARD

Mr Duncan Barber

Mr Bernard Brown

Lord Charles Bruce DL

Ms Jane Burrows

Mr Malcolm Crayford OBE

Ms Clair Hassard

Ms Melissa John

Mr Andrew Martin

Dr Michael Oliver OBE DL

Air Marshal Peter Ruddock
CB CBE

Mr Richard Shirley

The Viscount Trenchard
of Wolfeton DL

Air Chief Marshal Sir Michael
Wigston KCB CBE ADC RAF

Royal Air Force Benevolent Fund Principal and Registered Office

67 Portland Place,
London W1B 1AR

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SUPPORTING THE RAF FAMILY DURING A TURBULENT YEAR

2020 will go down in history as one of the Fund's most challenging years ever. While we faced many difficulties due to the Covid-19 pandemic, we are proud of how we continued to support the RAF Family during these toughest of times.

The onset of the Covid-19 pandemic turned the lives of many in the RAF Family upside down, leaving people facing everything from extreme loneliness and isolation to financial problems, anxiety and bereavement. We knew we had to rapidly adapt our ways of working and our key services to be there for those most in need. Despite a downturn in income, we are pleased to have supported over 63,700 veterans and serving personnel – and their families – in 2020, spending £26M to help them get through this turbulent year.

Tackling social isolation – particularly amongst veterans – was a crucial challenge. As the pandemic took hold we immediately set up our Check and Chat call service, with staff from the Fund regularly calling socially-isolated RAF Family members throughout the year to see how they were coping. We also quickly expanded our Telephone Friendship Groups, with 88% more people taking part compared to 2019.

Supporting the RAF Family's mental wellbeing during such a difficult time was another important task for us. Our Listening and Counselling Service, new 24-hour Emotional Support Helpline and new counselling service for children and young people all helped with this. We also made sure relationship counselling was still available online. We were there for children in other ways too, launching Airplay Connect, a digital platform where young people – isolated from school and their

friends – could access our programme of activities. We also made up to £2.5K available for each RAF station to provide activity packs for families and support for those living in single living accommodation during lockdown.

We continued to support members of the RAF Family in financial need too, from topping up pensions to helping with unexpected bills. We quickly made it possible to apply for grants of up to £750 completely online – a first for a UK military charity. We continued our important work giving grants to support RAF Family members to live independently and with dignity too.

We were, however, immensely sad to permanently close Princess Marina House, our care and respite centre on the West Sussex coast. We thank all our staff there for their hard work over the years, and hope our guests will continue to use our other welfare services.

Our wide-ranging work this year would simply not have been possible without the incredible support of our amazing donors and fundraisers. Thank you so much for your help, especially during what was a difficult financial year for many. We would also like to thank the Fund's brilliant, hard-working staff, who adapted so well to sudden and unsettling changes this year, and continued to do everything they could to help the RAF Family. Gratitude must also go to the Fund's Trustees for their invaluable guidance through these uncharted waters.

We go into 2021 hopeful that the Covid-19 situation will stabilise, and we will continue to evaluate how we can best support the RAF Family. We are a resilient organisation, and in many ways the pandemic has made us stronger, forcing us to look at how to become more efficient and adaptable, and at new ways to live up to our values of being beneficiary-focused, compassionate, inclusive, responsive and trustworthy. The pandemic has also brought many communities closer together. We hope this will mean more people will direct RAF veterans to us for help.

For the past 100 years, the Fund has stood side by side with the RAF Family during its toughest times – and we are confident we will make it through this huge challenge more robust than ever.

Lawrie Haynes
Chair
Royal Air Force Benevolent Fund

Air Vice-Marshal Chris Elliot CB CBE
Controller
Royal Air Force Benevolent Fund

AIMS, OBJECTIVES AND VALUES

OUR VISION

No member of the RAF Family will ever face adversity alone.

OUR PURPOSE

To understand and support each and every member of the RAF Family, whenever they need us.

OUR VALUES



Beneficiary-focused – We place the people we support at the heart of all we do and act in their best interests, understanding their needs and using our expertise to provide appropriate solutions.



Compassionate – We show empathy, giving a helping hand to those in need and distress.



Inclusive – Promoting fairness, diversity and respect for others, we are non-judgemental and non-discriminatory. We make ourselves accessible to all those who need our help.



Responsive – Forward leaning and innovative, we remain relevant by anticipating changes in the wider environment which affect those who need our help.



Trustworthy – We have integrity and are honest. We strive to do the right thing, and challenge decisions and actions which are not consistent with our values, while remaining accountable for our actions.

OUR OBJECTIVES AND ACTIVITIES

We support current and former members of the RAF, and their partners and families, providing practical, emotional and financial support. We are committed to getting them through the toughest times, whatever life may send their way.

Most of our services can be used by both serving and former personnel and their partners and children. These include one-off grants to help with unexpected expenses like a broken boiler or home adaptations, relationship counselling and bereavement support.

Some services can only be accessed by current personnel and their families. These include our subsidised breaks and online mindfulness programme. For former personnel and their partners, our Telephone Friendship Groups provide a safe space to chat to others in the comfort of their own home.

We also maintain the RAF Memorial on the Victoria Embankment and the Bomber Command Memorial in Green Park, London.

OUR STRUCTURE

We carry out our activities through the following subsidiaries:

- RAF Benevolent Fund Housing Trust Limited
- RAF Benevolent Fund Trading Limited
- RAF Disabled Holiday Trust
- RAF Dependants Income Trust Limited
- RAF Dependants Fund
- Royal Observer Corps Benevolent Fund.

PUBLIC BENEFIT STATEMENT

When reviewing the Fund's aims and objectives and in planning future activities and policies, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging.

All of our services are either free or heavily subsidised. Where we ask for contributions, for example towards the costs of living in one of our Housing Trust properties, we always take beneficiaries' means into account. No member of the RAF Family should be prevented from accessing our services because they cannot afford the full cost.

Through our External Grants programme, we also enable other charities to maximise their public benefit in support of the RAF Family.

OUR STRATEGIC AIMS: PROGRESS AND CHANGES

Despite the huge and unprecedented challenges brought by the Covid-19 pandemic, we continued to implement the strategic aims from our 2017-2022 strategy in 2020. The Fund's strong governance and financial management meant we were able to adapt with agility to the changing circumstances and continue to support the RAF Family uninterrupted, while responding to new and emerging needs.

However, we had to make some significant adjustments to our original plan for the year in light of Covid-19. We also recognised that, with the world changing so significantly, we needed to overhaul our strategy for 2021, 2022 and beyond. Our new interim 'stabilise and adjust' strategy will guide our work over the next two years, while we prepare a long-term strategy to continue supporting the RAF Family through their toughest times.

PROGRESS AGAINST 2017-2022 STRATEGIC AIMS

STRATEGIC AIM 1

To reach and support more RAF Family members in need

In 2020, we continued our multi-channel campaign to put veterans in need of our support 'Back On The Radar', encouraging members of the RAF Family to come to us for assistance. Although we had to adapt our plans due to the pandemic, we remained successful in raising awareness of the Fund and reaching new people. Enquiries about our welfare services and public awareness of

the Fund remained high, and we saw a 32% increase in our overall media coverage. After 18 months, the campaign officially ended in December 2020, having brought about significant increases in the number of people we reached and helped.

We also completed a review of our beneficiary journey – the process members of the RAF Family go through when they come to us for help. This led us to begin developing a new model involving more practical support to people accessing our services, particularly when they make initial enquiries and when a caseworker assesses them for help. We began implementing this new model (including developing online forms and providing more support to navigate the enquiries process) in 2020 and will continue throughout 2021.

We adapted and deepened our engagement with key stakeholders and caseworkers to expand our local reach too, using videoconferencing due to travel restrictions.

STRATEGIC AIM 2

To expand our welfare services in key areas, assessing and responding to the ever-changing needs of veterans, serving personnel and their families

We continued to offer the RAF Family support in five key areas: emotional wellbeing, friendships and connections, family relationships, independent living and financial assistance. We adapted our services and found innovative ways to ensure the RAF Family could still access them during the pandemic, including:

- Making our Listening and Counselling Service available virtually, and expanding it to provide counselling for children and young people
- Developing processes for veteran and serving communities to apply for grants online
- Introducing a free legal advice service
- Increasing the number of Telephone Friendship Groups
- Coordinating letters to veterans from children in our Airplay youth groups
- Undertaking Check and Chat calls, where members of staff regularly called beneficiaries to check on their wellbeing and combat social isolation
- Continuing our Community Engagement Worker and Social Engagement Worker programmes (with a shift in focus to digital engagement)
- Expanding subscriptions for the mindfulness app Headspace
- Providing digital Thrive workshops to increase emotional wellbeing and resilience, reduce isolation and increase the employability of partners of people in the RAF
- Introducing Airplay Connect, a new digital platform to engage with the children of RAF personnel
- Working with the RAF to deliver special hampers, tins of Spitfire shortbread and some much-needed festive cheer to vulnerable RAF Family members in December.

For more about our impact in our five key areas of work, see pages 14-18.

We also continued to invest in research to increase our understanding of the current and changing needs of the RAF Family. We concluded a major piece of research into the wellbeing of children and young people growing up with one or more parents serving in the RAF, and we launched a new research project into wellbeing and coping within the serving community.

The impact of Covid-19 meant that the planned expansion of our respite and care provision and Group Wellbeing Breaks for dementia sufferers could not go ahead. The Fund also had to make the very difficult decision to close Princess Marina House (see box on the following page).

STRATEGIC AIM 3

To increase income across all fundraising channels

The effects of Covid-19 resulted in the Fund falling 20% short of its planned income. Reduced legacy income, cancelled events and lack of face-to-face engagement created challenges for fundraising. Despite this, we successfully adapted to the difficult circumstances, moving events like our annual awards and Bomber Command Memorial service online and developing targeted and innovative approaches to continue engaging our audiences.

Hard-won results in some income streams (including direct marketing, in-memory giving, and corporate, major donors and trusts income) were better than expected, offsetting what could otherwise have been a worse result.

We succeeded in raising brand awareness despite the challenging circumstances. Work around the 80th anniversary of the Battle of Britain in particular generated significant media interest and provided an excellent opportunity to involve supporters and partners.

STRATEGIC AIM 4

To strengthen our governance and support functions so we can better help our beneficiaries

Our robust business continuity management framework and previous work to improve our telephone, IT and intranet systems meant we were able to swiftly move to home-working in response to the pandemic, with no disruption to our ability to help the RAF Family.

We enhanced our governance and compliance practices, completing an information security audit, developing a records management programme and giving ongoing support to staff to ensure

that practices, projects and contracts remained compliant in the changed working environment. We also developed a fundraising contract management framework, and reviewed our complaint management processes.

We continued our project to implement a new finance system, which went live in March 2020, and improved our financial reports.

We strengthened governance at the Board level too by completing a review of Board effectiveness (with the recommendations implemented throughout 2020 and 2021); reviewing and formalising Trustee recruitment and induction processes; and mapping Trustee skills against a Board skills matrix, which we are now using to inform Trustee recruitment drives.

Our HR function prioritised staff wellbeing. We also supported staff through the redundancy process made necessary by the closure of Princess Marina House.

OUR INTERIM 'STABILISE AND ADJUST' STRATEGY

The Fund's 2017–2022 strategy has been enormously successful. It has broadened and deepened the services we offer the RAF Family, our fundraising capacity and back-office capability, and led us to support significantly more people. However, in the three years since we wrote it, there have been changes to the RAF Family's composition, the fundraising environment, governance, and the Armed Forces charity sector. The Covid-19 pandemic and other factors have driven these changes.

This has made it necessary for us to retire our 2017–2022 strategy and reset our strategic direction.

We have adopted a short-term strategy for 2021 and 2022 to stabilise our operations and adjust to immediate challenges and opportunities. At the same time, we will review our position and develop a new long-term strategy to serve the RAF Family.

Our 'stabilise and adjust' strategy's aims and objectives are:

1. To effectively support members of the RAF Family in need, achieving our vision and purpose through our welfare delivery

- To effectively support members of the RAF Family in need, by providing high quality and holistic support
- To improve the beneficiary journey to receiving support
- To generate evidence and analysis to identify and respond to the changing needs of the RAF Family and maximise impact
- To raise awareness of the Fund and our services within the RAF Family.

2. To develop and adopt a more financially sustainable model to support the RAF Family, recognising that the Fund is currently spending down its reserves to finance its operations, which is not sustainable in the long term

- To raise awareness of the Fund to support income generation
- To maximise income generated by improving return on investment across a diversified mix of fundraising streams
- To design a more enduring and sustainable welfare offering
- To use evidence, analysis and insight to develop a more affordable welfare programme, while continuing to develop new initiatives in response to emerging needs.

3. To protect and enhance our reputation by demonstrating that we are a trusted, inclusive organisation that has our beneficiaries at our heart

- To provide strong and effective governance
- To minimise support costs and maximise impact
- To deliver communications across all audiences that demonstrate how we live our brand values.

4. To enhance our ways of working, to ensure we are a modern, efficient and effective organisation

- To embed data analysis and insight throughout all Fund operations to enable evidence-based decision-making
- To make the Fund an inclusive and resilient organisation that adopts modern ways of working
- To harness opportunities for greater partnership and collaboration where it will deliver greater impact for our beneficiaries
- To support the strengthening of the wider Armed Forces charity sector for the benefit of the RAF Family.

CLOSING PRINCESS MARINA HOUSE

In July 2020, we made the reluctant but necessary decision to permanently close Princess Marina House, our care and respite centre on the West Sussex coast.

Before the Covid-19 pandemic, our research told us the number of veterans and their partners likely to visit Princess Marina House would decline, bringing the centre's long-term viability to the attention of the Board of Trustees. However, no decisions about its future had been made.

Covid-19 meant Princess Marina House needed to shut its doors temporarily in March 2020. Reviewing the situation in July 2020, our Trustees concluded that it was unlikely that we would be able to welcome back our guests, who primarily

fall into the vulnerable category, before mid-2021. If we had, their experience would have been vastly different due to the measures needed for their safety. Many of our guests may not have felt comfortable returning to Princess Marina House at all in the near future, despite safety measures in place. Looking back on the impacts of the second wave of the virus, we are confident that this difficult choice was the right one.

The move to close for good was made with great sadness as Princess Marina House was a unique and special place both to visit and to work. We contacted all guests directly to let them know and to ensure they were aware of the other support and welfare services we provide.

2020: OUR KEY STATS

£26M
SPENT SUPPORTING
63,700+
MEMBERS OF THE RAF FAMILY

£21.2M+
SPENT SUPPORTING
21,500+
VETERANS AND
THEIR FAMILIES

£4.8M+
SPENT SUPPORTING
42,200+
SERVING PERSONNEL
AND THEIR FAMILIES

96%
SAID OUR SUPPORT
IMPROVED THEIR
QUALITY OF LIFE

92%
RATED OUR SERVICE
AS EITHER 'EXCELLENT'
OR 'VERY GOOD'

HOW WE WERE THERE FOR PHILL AND SALLY

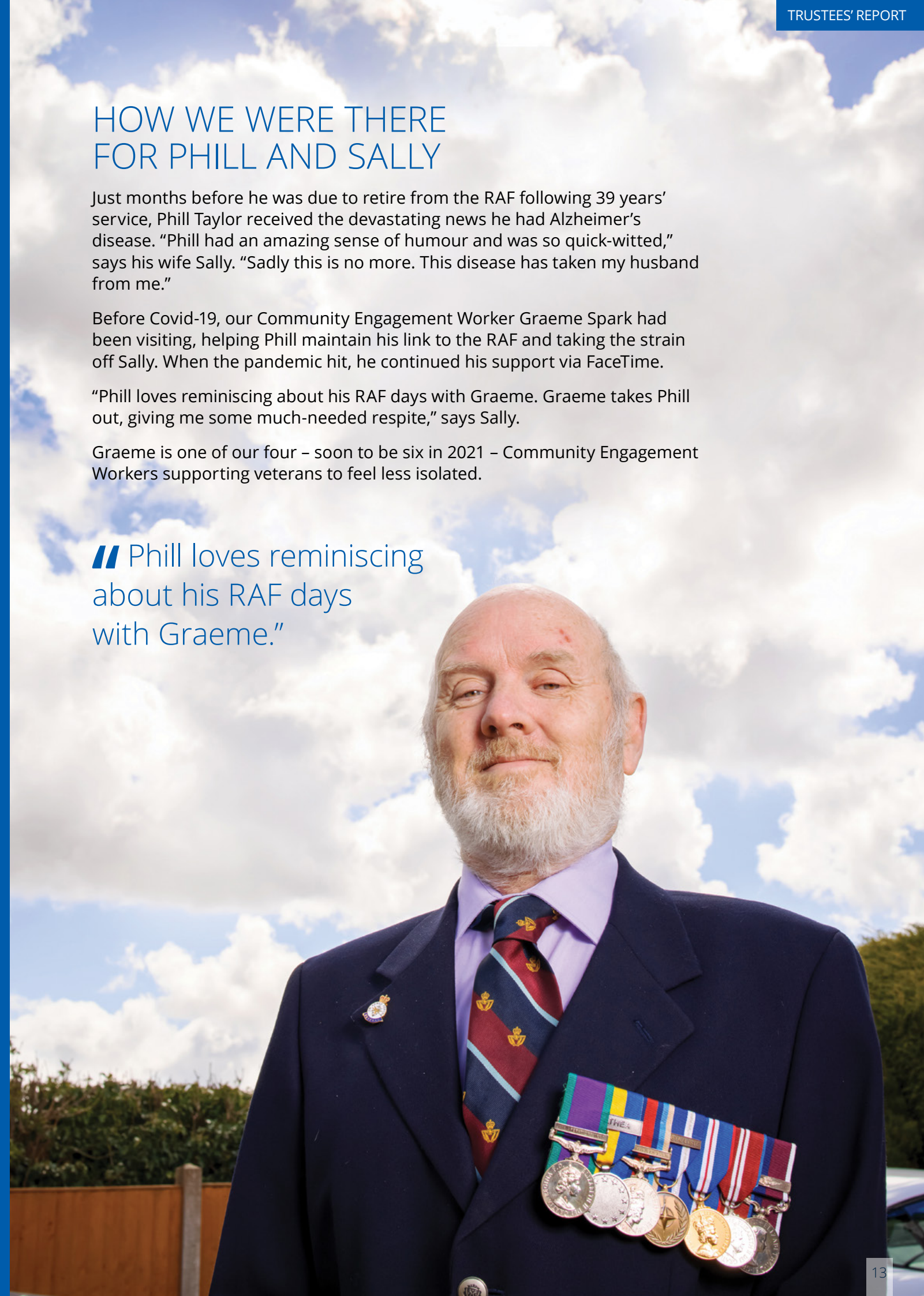
Just months before he was due to retire from the RAF following 39 years' service, Phill Taylor received the devastating news he had Alzheimer's disease. "Phill had an amazing sense of humour and was so quick-witted," says his wife Sally. "Sadly this is no more. This disease has taken my husband from me."

Before Covid-19, our Community Engagement Worker Graeme Spark had been visiting, helping Phill maintain his link to the RAF and taking the strain off Sally. When the pandemic hit, he continued his support via FaceTime.

"Phill loves reminiscing about his RAF days with Graeme. Graeme takes Phill out, giving me some much-needed respite," says Sally.

Graeme is one of our four – soon to be six in 2021 – Community Engagement Workers supporting veterans to feel less isolated.

// Phill loves reminiscing
about his RAF days
with Graeme."





KEY AIM 1: EMOTIONAL WELLBEING

WE SUPPORT THE RAF FAMILY'S MENTAL WELLBEING

In normal times, RAF life is tough. Challenges for serving personnel include deployment, family separation and frequent moves between postings. And for veterans and serving members alike, loneliness, bereavement and ill health can all cause unhappiness.

Covid-19 shook many in the RAF Family's mental wellbeing even further, causing financial difficulties, increased isolation and stress, fear of illness and more.

Throughout this turbulent year, we were there to support the RAF Family to stay strong, stay resilient, and improved their emotional wellbeing.

HOW WE ACHIEVED THIS

Our Listening and Counselling Service supports people struggling with bereavement, low mood, anxiety and depression. In 2020, the service moved to virtual counselling sessions, and helped over 950 members of the RAF Family. 97% of people who completed their counselling course saw a reliable improvement or recovery in their mental health.

With the pandemic leading to extra stress and anxiety for many members of the RAF Family, we launched our Emotional Support Helpline this year. Trained counsellors are available on the phone 24 hours a day to talk through people's problems.

It's estimated that one in eight children have experienced a mental health issue such as anxiety. To support children in the RAF

Family, in June 2020 we launched a specialist counselling service for 11- to 18-year-olds, helping 71 young people by the end of the year. Towards the end of 2020, we extended the service to children aged five and over.

The meditation and mindfulness app Headspace offers practical tips and exercises to relieve stress. In 2020, in addition to offering free Headspace memberships to serving RAF members, we opened up the programme to their partners too. Over 1,800 people signed up, bringing our total membership to over 4,600. 99% of members we surveyed said they would recommend Headspace to a colleague.

£854K SPENT ON IMPROVING THE RAF FAMILY'S EMOTIONAL WELLBEING

950+
RAF FAMILY MEMBERS SUPPORTED BY OUR LISTENING AND COUNSELLING SERVICE

97%
OF THOSE WHO COMPLETED COUNSELLING SAW IMPROVEMENT IN THEIR MENTAL HEALTH

1,800+
NEW MEMBERS OF MINDFULNESS APP HEADSPACE

99%
OF HEADSPACE USERS WOULD RECOMMEND IT TO A COLLEAGUE



KEY AIM 2: FRIENDSHIPS AND CONNECTIONS

WE MAKE SURE NO ONE IN THE RAF FAMILY FEELS ALONE

For all of us, a vital part of wellbeing is having people to turn to, talk to and share life with, in good times and bad. But not everyone in the RAF Family has this. We estimate that over 85,000 veterans and their partners feel lonely and many simply don't know where to turn for help. Serving members and their families often find life in the RAF, with its frequent moves, lonely too.

Helping the RAF Family create friendships and connections is a key part of our work. As Covid-19 plunged many into complete isolation, we made sure no one faced these tough times alone.

HOW WE ACHIEVED THIS

When the pandemic hit in March 2020, we were extremely concerned for the many RAF veterans and their partners facing self-isolation, shielding and loneliness. In response, we immediately launched our Check and Chat call service, with staff from the Fund regularly calling socially-isolated RAF Family members to see how they were coping. We made more than 3,700 calls to 277 members of the RAF Family during the year.

Another key part of our response to the pandemic was expanding our Telephone Friendship Groups service – weekly calls between up to six RAF veterans or their partners, facilitated by a trained volunteer. In 2020, 246 isolated RAF Family members used this service – up from 131 in 2019. Around two thirds of participants surveyed said they had made new friendships.

Our four Community Engagement Workers continued their work to reduce social isolation and loneliness in Cambridgeshire, Norfolk, Suffolk and Lincolnshire. On the phone rather than in person, they helped 215 people find new activities to help them feel less lonely.

Our Social Engagement Workers, based at RAF Leeming, RAF Lossiemouth, RAF Odiham and RAF Honington, help people become more involved in social activities in their communities. While Covid-19 curbed much of their usual work, this year they supported 188 people to feel less socially isolated. They also ran virtual social events including coffee mornings, quizzes and bingo.

3,700+ CHECK AND CHAT CALLS MADE TO 277 RAF FAMILY MEMBERS ISOLATED BY THE PANDEMIC

£96K
SPENT ON TELEPHONE FRIENDSHIP GROUPS

246
VETERANS AND THEIR PARTNERS SUPPORTED THROUGH OUR TELEPHONE FRIENDSHIP GROUPS

62%
OF TELEPHONE FRIENDSHIP GROUPS PARTICIPANTS MADE NEW FRIENDSHIPS

215
PEOPLE SUPPORTED BY OUR COMMUNITY ENGAGEMENT WORKERS



KEY AIM 3: FAMILY AND RELATIONSHIPS

WE IMPROVE LIFE FOR RAF FAMILIES

Apart from the usual strains of family life like money and parenting concerns, serving RAF couples have to cope with extra pressures, including uprooting themselves as they go from posting to posting, and maintaining long-distance relationships during deployments and training away from home.

Relationship breakdown, social isolation and loneliness are common – and in many cases are being exacerbated by the Covid-19 pandemic. Veterans and their families can, of course, face relationship problems too.

In 2020, we were there with a whole range of support to help serving families and veterans with the challenges they faced, keeping them together, improving wellbeing, enhancing children's lives – and ultimately aiming to make RAF personnel happier and more efficient at work.

HOW WE ACHIEVED THIS

In partnership with Relate, we offer free relationship counselling and subsidised mediation sessions to members of the RAF Family to help them work through their problems. Our free online course, Building Stronger Families, also helps serving personnel and their partners navigate relationships and family life. In 2020, we gave more than 1,200 people relationship support, with 91% who completed relationship counselling reporting an improvement in communication with their partner.

Our Airplay and Ben Clubs offer interesting and exciting activities for children and young people on RAF stations. In 2020, over 1,900 children and young people took part in the programmes. With Covid-19 meaning in-

person meetings had to stop in March, we launched Airplay Connect, a digital platform young people can use to access Airplay. There were 220 sign-ups throughout the year. We also made up to £2.5K available for each RAF station to provide activity and wellbeing packs for children missing out on Airplay sessions, and to support those living in single living accommodation.

Funding facilities for children and young people on RAF stations is another key part of our work. This year, we spent £641K on play parks for RAF stations.

Thrive, our pilot workshops for partners of serving RAF personnel to improve their wellbeing, resilience, employability and ultimately quality of life, continued virtually in 2020. After our Building for the Future workshop, 86% of participants felt better prepared for the years ahead.

£2.1M

SPENT ON IMPROVING
THE LIVES OF FAMILIES

1,200+
RAF FAMILY
MEMBERS RECEIVED
RELATIONSHIP
SUPPORT

91%
REPORTED AN
IMPROVEMENT IN
COMMUNICATION
WITH THEIR
PARTNER

1,900+
CHILDREN AND
YOUNG PEOPLE
TOOK PART IN
EXCITING ACTIVITIES
THROUGH OUR
AIRPLAY AND BEN
CLUBS

£641K
SPENT ON PLAY
PARKS FOR
RAF STATIONS



KEY AIM 4: INDEPENDENT LIVING

WE HELP RAF FAMILY MEMBERS
KEEP THEIR INDEPENDENCE AND
LIVE WITH DIGNITY

Losing independence due to disability, injury or advancing years can be distressing. This can be particularly true for members of the RAF Family, who through their service are used to being proudly self-sufficient.

In 2020, we continued to support RAF Family members to live full lives independently and happily in their homes for as long as possible. We also helped with care home fees, so RAF Family members could live in a better standard of home, closer to family and have dignity in retirement.

HOW WE ACHIEVED THIS

We made more than 2,100 grants to RAF Family members in 2020 to pay for mobility, care and disability equipment so they could live comfortably and get out and about. 84% of grant recipients surveyed said their need had been fully met or the grant had helped them. We also gave £307K to help pay for care at home.

We awarded £400K in grants to serving members of the RAF and their dependants to use to alter their homes to make them more accessible, plus £31.1K in grants to wounded, injured and sick personnel leaving the RAF to help them transition back into civilian life.

We were there to help those who needed to go into a care home too, spending £1M to top up fees so members of the RAF Family could live in the best homes possible.

We specialise in providing advocacy in a number of areas, including care services issues. We can act on behalf and argue in favour of RAF Family members facing problems including getting a care assessment, funding for care and more. We supported 786 people in 2020, with 96% of those surveyed saying it had benefitted them or a member of their family.

£7.9M

SPENT ON HELPING THE
RAF FAMILY LIVE MORE
INDEPENDENTLY

2,100+
GRANTS GIVEN TO
PAY FOR MOBILITY,
CARE AND
DISABILITY
EQUIPMENT

£400K
GIVEN TO SERVING
MEMBERS OF THE
RAF TO PAY FOR
ACCESSIBLE
HOUSING

£1M
PAID TO TOP UP
CARE HOME FEES

786
PEOPLE SUPPORTED
BY OUR ADVOCACY
SERVICE



KEY AIM 5: FINANCIAL ASSISTANCE

WE'RE THERE FOR THE RAF FAMILY WITH FINANCIAL HELP

If a member of the RAF Family runs into financial difficulties, we're by their side. We can provide support with paying for urgent home repairs, topping up pensions, funeral expenses, debt and much more. We can also advise on and help people apply for welfare benefits.

2020 threw many members of the RAF Family into turmoil, from working-age veterans finding themselves unemployed, to veterans needing extra support with bills. Our grants and advice provided a much-needed safety net, relieving worry and helping RAF Family members get back on their feet during a difficult time.

HOW WE ACHIEVED THIS

We gave more than 4,900 individual awards to veterans and their partners, and over 500 individual awards to serving RAF members and their dependants in 2020. 96% of veterans surveyed said their need had been fully met or they had been helped by the Fund's support.

We gave more than 1,000 grants to help with home repairs or adaptations. 99% of the people who received these grants said this work had improved the comfort of their day to day living either 'a lot' (90%) or 'quite a bit' (9%).

Before the pandemic, a trained caseworker from one of our partner organisations would visit every person who applied for

financial support. With this difficult due to Covid-19, we quickly made it possible to apply for grants of up to £750 completely online – a first for a UK military charity.

The benefits system – in ever more demand in 2020 – can be difficult to navigate. Our Advice and Advocacy Service helps those struggling to get support. This year we identified £2.7M in unclaimed benefits and £16.5K in one-off lump sum payments people could claim. 96% of people surveyed who used the service rated it as 'excellent', 'very good' or 'good'.

£6M

SPENT ON SUPPORTING THE RAF FAMILY FINANCIALLY

£2.7M

IDENTIFIED IN UNCLAIMED BENEFITS AND £16.5K IN ONE-OFF LUMP SUM PAYMENTS

£372K

SPENT ON FUNERAL COSTS

£908K

SPENT ON REGULAR FINANCIAL HELP FOR PENSIONERS

£1.4M

SPENT TO HELP WITH HOUSING COSTS

£3.3M*

SPENT ON GRANTS AND SERVICES TO RAF STATIONS



*An additional £601K awarded across stations



FUNDRAISING

Our endeavours to ensure no member of the RAF Family faces adversity alone would be impossible without the impressive fundraising efforts of our dedicated volunteers, supporters, corporate partners and staff. Thanks to their hard work and commitment, we raised an amazing £14.1M during a turbulent year, with many fundraising events cancelled.

This support from people across the UK helped over 63,700 members of the RAF Family deal with loneliness, social isolation and financial hardship, and improve their family relationships and emotional wellbeing throughout 2020.

THE IMPACT OF COVID-19

As for many charities, Covid-19 stopped us delivering on some of our planned objectives in 2020. It also hugely impacted our fundraising.

We adapted our fundraising to minimise this impact as much as possible, moving many activities online. However, as fundraising events continued to be cancelled, and legacies were impacted by delays in notifications, our income at year end stood at £14.1M – £3.9M (22%) less than our original plan.

We remain resilient, and we are adopting creative approaches to fundraising to inspire and engage our supporters, while being understanding of their needs and changing circumstances, as we navigate these uncharted waters. We hope that together, we can continue to raise the vital funds needed to positively change the lives of more RAF Family members.

PARTNERSHIPS

Despite overall income being down on 2019, we had many fundraising successes in 2020. Sharing our expertise and working in collaboration with commercial, strategic and philanthropic partners helped us accelerate progress towards our goals.

Philanthropic income reached new heights, raising £2.2M (+74% on 2019). We struck up a number of new relationships, for example with Forces Mutual, The Hobson Charity and The Scottish Wellbeing Fund. We also strengthened long-held and valued partnerships, including with MBDA Missile Systems, Mr Paul Nicholas FRAeS, BAE Systems and Midshires Mobility Group. This was against a backdrop of many corporates, trusts and individuals themselves facing difficult decisions and having to reassess priorities and cancel fundraising activities. This makes their contributions even more admirable. We are proud of all our supporters' loyalty and commitment to our cause over the past year.

Our partners and Centenary Campaign Advisory Board members also supported us to share our message with over 443,000 people in 2020, who in turn helped us find more RAF Family members in need.

One example of how effectively engaging with partners increased our reach and income was Lockheed Martin's support for our tribute to the 80th anniversary of the Battle of Britain. We marked the occasion with a poignant light show projected onto Remote Radar Head Buchan, a radar that was built by Lockheed Martin. This event received significant print and digital media coverage, creating over 6 million social media impressions and contributing to the more than 1,100 enquiries the Fund received between 15 September and 15 October 2020.

BOMBER COMMAND MEMORIAL

We are the proud guardians of the Bomber Command Memorial, which stands as a fitting tribute to the 55,573 Bomber Command crew who lost their lives in the Second World War. In 2020, we were delighted to reach the Bomber Command Memorial Fund fundraising target of £2M. Thanks to incredible support from Dr Michael Oliver OBE DL and other individuals, associations, trusts and businesses, the Memorial is now supported by enough funds to secure its maintenance in perpetuity. To continue to honour the memory of those who so bravely served in Bomber Command, we have created the new Bomber Command Remembrance Fund to support RAF Family members in need today.

SUPPORT FROM THE SERVING RAF

Serving personnel continue the tradition of looking after their own, recognising the support the Fund can offer to them in their time of need. 70% made a monthly gift to the Fund through the Service Day's Pay Giving Scheme, contributing an amazing £1.6M in 2020.

INDIVIDUAL SUPPORTERS

Individuals make a significant contribution to our funds each year (£1.6M in 2020, up 10% from 2019). In 2020 we received regular gifts from over 9,200 people (9% higher than in 2019). 2,250 new supporters chose to support the Fund with a regular gift (20% higher than our target). We also enjoyed generous support from individuals who made gifts in response to our fundraising appeals and in memory of a loved one.

Social distancing and lockdowns meant many of our plans for challenge events had to be cancelled. We are grateful to supporters for their creativity in organising their own Covid-safe fundraising events throughout 2020.

GIFTS IN WILLS

In 2020, we were extremely grateful to receive £7.7M in legacies. This was down 23% compared to 2019, mainly due to delays in receiving new notifications throughout the year due to Covid-19. Gifts in Wills represent the largest form of income for the Fund and we are deeply indebted to the people who choose to support the RAF Family in this way.

£14.1M

TOTAL RAISED INCLUDING:

£7.7M
RECEIVED FROM
GIFTS IN WILLS

£1.6M
RECEIVED FROM
INDIVIDUALS

£2.2M
RECEIVED FROM
PARTNERS, TRUSTS
AND MAJOR
DONORS

£1.6M
RECEIVED FROM
THE SERVICE DAY'S
PAY GIVING SCHEME

SUPPORTER PROMISE

Despite the turbulent times, we remain fully committed to the principles we laid out in our fundraising promise:

We believe in being transparent in how we raise money and spend donations, and the impact this makes on the RAF Family. We take this responsibility very seriously. The Fund is registered with the Fundraising Regulator and is committed to its Code of Fundraising Practice. In all that we do, we aim to meet the highest standards, so that supporters and volunteers are able to give to and fundraise for the Fund with confidence and trust that their hard work will make a difference. In line with the Charities Act 2016, our Board of Trustees closely monitors our fundraising activity and performance alongside the fundraising management team.

WE ARE OPEN, HONEST AND TRANSPARENT

We promise to be open, honest and transparent in relation to our fundraising and, as importantly, how accurately we represent members of the RAF Family in the materials we produce. We engage them in planning and ensure we have sign-off before the materials are made available to supporters or the public.

WE ARE RESPECTFUL

In our fundraising materials or in conversation, we show respect and we promise never to pressure anyone to make a donation. We are particularly sensitive when engaging with vulnerable people, including those who are elderly. Importantly, we do not and never have shared our supporters' details with any other charity or business. Following the introduction of the General Data Protection Regulation in 2018, we only

communicate with supporters who have given us express permission to maintain contact with them. We keep supporters up to date with our work in a way and at times that suit them. If any supporter prefers a reduced level of contact, they only have to let us know and we will respond to their wishes.

WE ARE ACCESSIBLE

We want to make it easy for anyone to get in touch with our fundraising team. Whether they want to update their contact preferences, or ask a question about our work or how we spend their donation, we welcome their phone call, email or letter.

We have a complaints procedure should a supporter be unhappy or have concerns about any of our fundraising activity. This is available on our website or by contacting the fundraising team at hello@rafbf.org.uk. We will help supporters to take their complaint to the Fundraising Regulator should they feel we have not responded suitably. We record all complaints we receive in response to our fundraising. In 2020 we received 15 complaints (2019: 13). We were able to resolve these with the supporters concerned without referral to the Fundraising Regulator.

RELATIONSHIPS WITH FUNDRAISING SUPPLIERS

We employ external agencies to add additional expertise or capacity when and where needed. This is more cost effective than trying to do everything ourselves. We appoint these agencies through a competitive tendering process and we put in place a contract and an agreed Service Level Agreement for the work they will carry out for us, carefully ensuring they provide the same high standards as our in-house team.

GRANT MAKING

As part of our work, we provide financial support and give grants to eligible people in times of financial difficulty. Our grant making is means tested. We also provide non-financial services which any member of the RAF Family can access. Our welfare strategy is guided by research, underpinned by impact frameworks, and we measure its results through evaluation and outcomes.

THE PURPOSE OF OUR GRANTS

Where we are able to help, our grants support the RAF Family with unexpected and unaffordable one-off costs, priority bills and debts (when supported by an independent debt adviser's report), and regular and temporary financial assistance. We also provide grants for domestic assistance to help RAF Family members live independently at home, and to help people who are isolated take part in social activities. In addition, we provide mobility and disability equipment and help with care home top-up fees, areas which saw growth in 2020. This is linked to the ageing RAF Family, and also our centenary 'Back On The Radar' campaign, which sought to raise awareness of our services.

We try to help people in need as much as we can. For some, this will involve a small grant, support or advice. For others, our support is much greater. Above all, we try to be caring, supportive and compassionate in all we do.

APPLYING FOR OUR GRANTS

RAF Family members can apply for individual grants throughout the year. A trained caseworker usually completes applications from former RAF personnel or their partners, with any grant usually channelled through the caseworking body.

RAF serving personnel can apply through their station HR staff, who have some delegated powers to give out smaller sums. We always consider the station staff's recommendations as part of our holistic approach to welfare, but are not limited by them and quite often provide additional support.

To enhance accessibility, in 2020 we introduced online applications for both veterans and serving personnel. This innovation has been widely welcomed. There is a cap of £750 on online applications, but we can involve caseworkers if a beneficiary needs more support.

On request, we can also award grants to RAF stations, with the aim of increasing the overall efficiency of the RAF. By providing welfare support to meet RAF community needs, our work aims to increase morale, retention and wellbeing within the serving RAF community, including for families.

GIVING GRANTS TO OTHER ORGANISATIONS

We contract with quality organisations to deliver targeted assistance to the RAF Family. We also give discretionary grants to other charities to help them support members of the RAF Family, provided their help is consistent with our impact framework. We gave £418K to the RAF Family through these organisations during 2020.

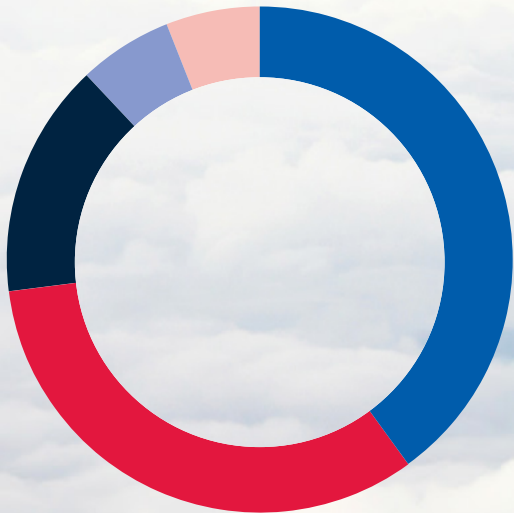
Caseworking organisations, such as the RAF Association (RAFA) and SSAFA, investigate the majority of cases on our behalf, and moved to working virtually, rather than face-to-face, during the pandemic. We are very grateful to them and their dedicated volunteers for supporting our work.

FINANCIAL HIGHLIGHTS

TOTAL INCOME £19.1M

(2019: £21.4M)

- Legacies: £7.7M/40%
(2019: £10.1M)
- Donations and other fundraising: £6.4M/34%
(2019: £5.3M)
- Investment income: £2.7M/14%
(2019: £2.7M)
- Charitable activities: £1.2M/6%
(2019: £1.8M)
- Other income: £1.1M/6%
(2019: £1.5M)



TOTAL EXPENDITURE £31.1M

(2019: £33.5M)

- Charitable activities: £22.4M/72%
(2019: £24.4M)
- Direct fundraising: £3.4M/11%
(2019: £3.9M)
- Support costs: £5.3M/17%
(2019: £5.2M)



CHARITABLE EXPENDITURE £26M

(2019: £27.9M)

- Direct support to individuals: £15.6M/60%
(2019: £14.7M)
- Welfare programmes and grants: £4.9M/19%
(2019: £6.5M)
- Respite care: £3.9M/15%
(2019: £4.5M)
- Housing Trust support: £1.6M/6%
(2019: £2.2M)



FINANCIAL REVIEW

OVERVIEW

2020 was a challenging year for the Fund. The Covid-19 crisis was an exceptional event in terms of unexpectedness, rapidity and impact across all of our activities, presenting us with an uncertain future. Our 2020 financial plan rapidly became undeliverable and the Trustees agreed a revised budget that reflected the impact of the pandemic on income, our ability to support our beneficiaries, expenditure, and our existing financial obligations.

Supplementing our income with reserves, our investment strategy prior to the crisis, agile financial management and, of course, the continued support of donors and the serving RAF meant we could stay resilient and continue to support our beneficiaries.

The uncertainty we face makes spending donations wisely more important than ever. We want to make sure that our activities make maximum impact and we focus on those most in need. At the same time, we are focusing on securing the Fund's long-term financial viability so we can continue to support veterans, serving RAF and their families in the future.

INCOME

Total income in 2020 was £19.1M, £2.3M (11%) lower than the £21.4M generated in 2019. £18.3M (2019: £20.9M) representing 95% (2019: 98%) of total income received was unrestricted. Of the £19.1M raised, 75p in the pound was spent on charitable activities.

In 2020, £14.1M (2019: £15.4M) was received from legacies, donations and other fundraising, making up 74% (2019: 72%) of total income. Legacy income in 2020 was £7.7M (2019: £10.1M) and this £2.4M decrease was the largest cause of the year-on-year fall in income. The pandemic led to the cancellation of many fundraising events and activities and some donors were

forced to reduce their giving. However, we saw sustained or better than expected performance in direct marketing, in memory giving and with some of our high value partners and donors.

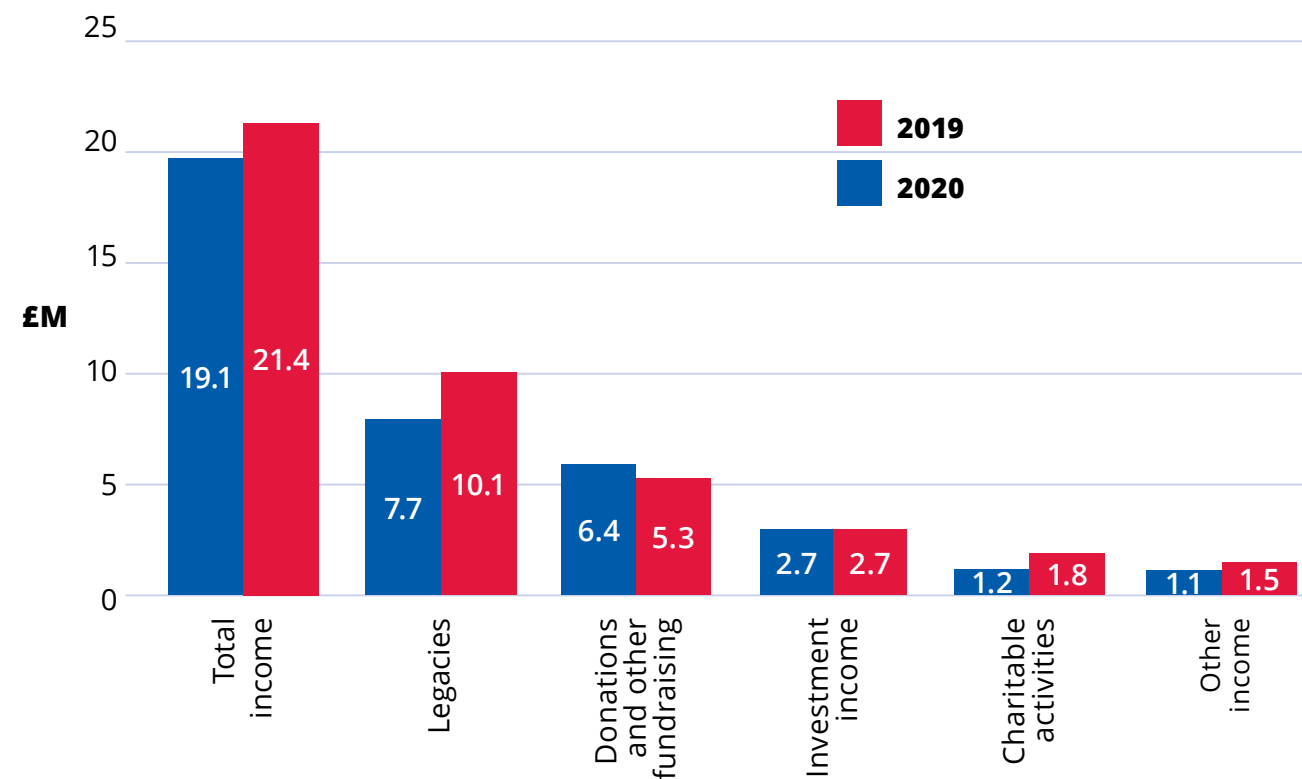
As a charity with a comparable purpose, we were fortunate to receive a £1M grant from the Headley Court Charity. We also received Covid-19 support from the Armed Forces Covenant Fund of £159K. We received a £594K grant under the Government's Coronavirus Job Retention (Furlough) Scheme. We were able to curtail our year-on-year fall in income from donations and legacies to £1.3M because of these one-off income receipts.

Again in 2020, support from the serving RAF was stable, generating £1.6M (2019: £1.5M) through the Service Day's Pay Giving Scheme.

Gross investment income (excluding our joint venture share) was £2.9M (2019: £2.7M) and the 6% increase on the previous year was possible because our investment managers were able to maintain income distributions in spite of market turbulence in 2020.

Charitable activities income comprises mainly of Housing Trust rental income and respite care income. We maintained income from the Housing Trust (£993K in 2020 vs £1M in 2019). However, we saw a significant decrease in respite care income (£746K in 2019 to £181K in 2020) as a result of the hibernation then closure of Princess Marina House. The consequent risk to our guests posed by the pandemic, the cost of keeping the facility ticking over for an undefined period, allied with the long forecast decline in the size of the RAF Family, sadly compelled our Board of Trustees to take the decision to close Princess Marina House permanently, and the majority of staff left us on 30 September 2020.

INCOME £19.1M



EXPENDITURE

Total expenditure in 2020 was £31.1M (2019: £33.5M), a £2.4M or 7% year-on-year decrease. In response to the impact of Covid-19, we took action to reduce costs as far as possible, without adversely affecting the support we provided to beneficiaries during a difficult time. The pandemic itself restricted some of our activities resulting in a reduction in costs, and sadly resulted in the closure of Princess Marina House. Expenditure in the year was funded by a combination of income generated in year, government grant funding and from reserves.

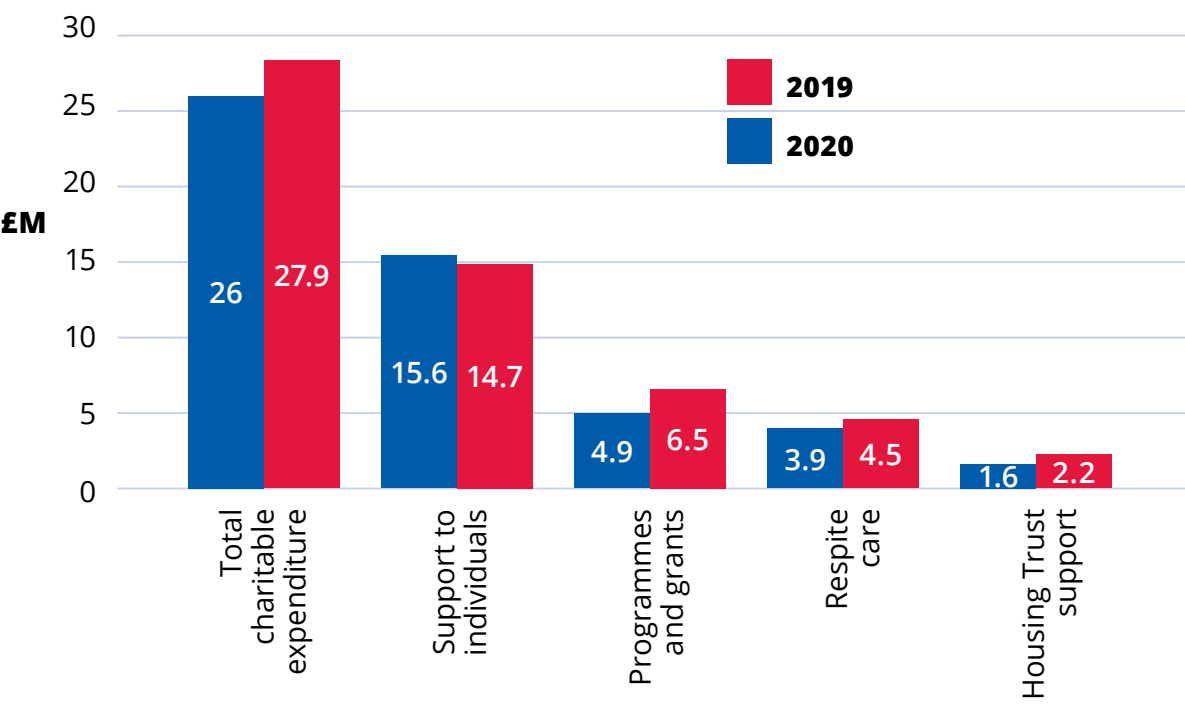
We spent £5.1M (2019: £5.5M) on raising funds, of which £3.4M (2019: £3.9M) was direct expenditure on raising income. Allocated support costs came to £1.7M (2019: £1.7M). There were expenditure reductions associated with cancelled fundraising activities, but we took advantage of opportunities to invest towards gaining medium- to long-term income returns.

£509K (2019: £540K) of fundraising expenditure was from funds designated for fundraising development to sustain our income generation capability.

In 2020, 84% (2019: 83%) of total expenditure – representing £26M (2019: £27.9M) – was on charitable activities. Our activities include financial support to individuals, providing welfare services mainly through third parties, awarding grants to RAF stations and organisations who support the RAF Family, respite care and providing affordable and adapted housing.

£15.6M (2019: £14.7M), representing 60% (2019: 53%) of our expenditure on charitable activities was to directly support individuals from both the serving and veteran communities, an increase of £810K or 5%. During the year, we experienced a high demand for regular and temporary financial assistance and applications for domestic assistance, social inclusion and funeral grants. The increases were related to the effect of the pandemic on the personal

EXPENDITURE ON CHARITABLE ACTIVITIES £26M



FIVE YEAR ANNUAL CHARITABLE EXPENDITURE

2020	2019	2018	2017	2016
£M	£M	£M	£M	£M
26	27.9	20.9	18.8	17.6

circumstances of both working- and pension-age beneficiaries. The money spent on individuals included £1M centenary campaign expenditure, aimed at finding RAF veterans and their families who need our support.

We spent £1.9M (2019: £3.6M) on supporting the serving RAF by awarding grants to stations and funding services offered by third-party organisations in support of our beneficiaries. The most significant of these services in financial terms was Airplay, our youth support programme. The year-on-year decrease in our spending on the serving RAF was due in part to agreed specific project funding arrangements, with higher funding in 2019 than in 2020; a reduction in programme funding due to Covid-19 restrictions and pressures; and a general fall

in applications due to operational pressures. We gave a total of £52K to RAF stations in the form of Covid-19 grants.

Grant funding to support the veteran community was £690K (2019: £850K). In the year we spent £3.9M (2019: £4.5M) on providing respite care, including £2.8M on operating and closing costs for Princess Marina House. We spent £415K to acquire a property to be used for our respite and care offering which will be part of our continuing work in this area.

Total support costs allocated, including the costs of IT, administration and management, premises, governance, depreciation of fixed assets, finance, human resources and system improvements, came to £5.4M (2019: £5.2M).

HOUSING AND LOANS

Through our subsidiary the RAF Benevolent Fund Housing Trust Limited, we purchase and adapt houses to meet individual needs and then rent them at affordable rates. In 2020, we spent £1.6M (2019: £2.2M) on maintaining and adapting such properties. We purchased and adapted three new properties (2019: five) at a cost of £928K (2019: £1.9M) and sold six properties (2019: 10) realising £1.5M (2019: £2.2M) in sales proceeds and £874K (2019: £1.5M) in net gain.

We awarded £109K (2019: £135K) in new secured loans to beneficiaries. Repayments are determined on the basis of an individual's ability to repay the loan and we received £776K (2019: £900K) in loan repayments. The total value of loans to beneficiaries at the end of the year was £8.6M (2019: £9.3M). We proactively review our loan book to ensure that the value is not impaired, and the recoverability of balances is assessed and reported fairly.

INVESTMENTS

We take a total return approach to our investment portfolio and our policy is to enhance the value of investments as well as earn an appropriate return through the adoption of a managed, diversified portfolio at acceptable levels of risk. The main objectives of the policy are:

- To hold investments in a manner that will assist the Fund in delivering its objectives in the short, medium and long term
- To earn a rate of total return of CPI plus 5% ensuring that real capital value is preserved, and income is generated to fund our activities
- To measure overall performance against an agreed market-derived benchmark and use an industry-wide peer group benchmark to assess performance against the average
- To employ investment managers who generate low costs and develop relatively stable portfolios which meet the objectives of this strategy in the long term.

The Finance Committee has responsibility for reviewing the policy.

BlackRock Investment Management (UK) Limited and CCLA Investment Management Limited have managed our long-term portfolios since 2016. In 2019, we appointed Close Brothers Asset Management to manage the funds we would need to spend over three years. Our medium-term objective is to ensure our liquidity requirements are met while still achieving good returns.

Assets held with fund managers were valued at £77.7M (2019: £81.7M). Income yield from these investments was £2.6M (2019: £2.3M).

Our funds managed by BlackRock are in the Armed Forces Charities Growth and Income Fund, a Charity Authorised Investment Fund. The value of our investments in this fund on 31 December 2020 was £20.4M (2019: £19.4M). The Fund aims to provide a net return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and income received from those assets. The Fund has a flexible approach to asset allocation and seeks to achieve its investment objective through a variety of asset classes. The Fund is actively managed in accordance with our Investment Policy. Over the year a net return of 9.01% was achieved against a 3.8% benchmark. Dividend yield in the 12 months to 31 December 2020 was 3.5% (2019: 3.5%).

Our funds managed by CCLA are held in the COIF Charities Investment Fund. The value of our investments in this Fund on 31 December 2020 was £34.4M (2019: £32.3M). The investment objective of the Fund is to provide real long-term growth and an income, rising over time from a portfolio managed within a clear risk control framework. To meet these objectives, the portfolio has a bias towards real assets, predominantly global equities, but also property and to non-traditional areas such as infrastructure. Stock selection is on a 'bottom-up' basis, and companies with a robust financial position and the potential

to grow faster and more consistently are favoured more than the broad trend in the economy. Over the year a net return of 9.78% was achieved against a 3.95% benchmark. Dividend yield in the 12 months to 31 December 2020 was 2.9% (2019: 3.1%).

Our investments managed by Close Brothers Asset Management are invested in a bespoke portfolio of short dated, high quality corporate bonds with a bespoke maturity profile to meet liquidity requirements. All maturities are expected to be met and the income paid out is expected to be in line with the original expectations. The value of the portfolio on 31 December 2020 was £23M (2019: £30M). The net yield on this portfolio in the year was 2.4%.

The RAF Benevolent Fund is the charity trustee of The Royal Air Force Disabled Holiday Trust (DHT). DHT held property investments valued at £532K on 31 December 2020 (2019: £561K).

2020 was an extraordinary year for investments as Covid-19 caused investment values to plummet sharply between March and May and then start to improve after that. This improvement in prices gained pace over the rest of the year due to unprecedented levels of stimulus coming from major governments and central banks, a reduction in fatality and hospitalisation rates and the emergence of a vaccine. The value of our long-term investments fell by 16% (£8M) in Q1 2020. Unrealised gains on investments at the year end at £2.6M (2019: £11.9M) were 78% lower than in 2019.

RESERVES

Total funds as at 31 December 2020 were £110M (2019: £122.8M) and comprised of unrestricted funds of £97.9M (2019: £109.7M) and restricted and endowment funds of £12M (2019: £13.1M).

Unrestricted reserves included operational assets of £40.9M (2019: £41.9M), designated funds of £17.4M (2019: £23.7M) and free reserves of £39.6M (2019: £44.1M).

Our risk-based approach to determining our free reserves requirement is done in conjunction with long-term financial projections, based on the needs of the RAF Family, and the management of financial risks, particularly the uncertainty of future income.

Trustees review the level of reserves regularly to ensure funds are available to deliver welfare services and programmes, and to secure, as far as possible, future financial viability. Our annual review of reserves included assessing the impact of Covid-19 on our business plans, projected income and expenditure, and on our investments.

Following that review, we determined that we should hold a minimum of £30M in free reserves to be assured that we are able to sustain the support we provide to the RAF Family in these unprecedented times and in the long term as well as meet other obligations, irrespective of fluctuations in income.

Free reserves excluding operational assets used to deliver our charitable objectives were £39.6M (2019: £44.1M) at the end of December 2020. The £4.5M decrease includes a £2.8M increase in the pension deficit.

Prior to the pandemic we had a deficit budgeting strategy that allowed us to expand our welfare offer to our beneficiaries. We will continue to do this over the next few years but as this strategy is unsustainable in the long term, we have started to reset and move towards more balanced financial planning. Trustees are of the view that our current level of free reserves gives assurance that we are able to deliver our short- to medium-term strategy to support our beneficiaries, in the current environment.

Designated funds were £17.4M (2019: £23.7M). £10.4M of this represents reserves set aside by Trustees for the development of welfare initiatives and the enhancement of existing programmes in response to beneficiary need. They will also be used for fundraising development investments to

help us sustain and grow our medium- to long-term income-generating capacity, and the modernisation of infrastructure and systems. £7M (2019: £6.5M) reserves of the Dependants Fund have also been designated to meet obligations to RAF personnel who are subscribers to the Fund.

In 2020, total expenditure from designated funds was £7.1M (2019: £8.3M). This expenditure included £5M (2019: £4.7M) on welfare services and support, £1.1M (2019: £2.5M) on reaching new beneficiaries, £509K (2019: £540K) on fundraising development and £252K (2019: £190K) on our finance system and new website, underpinning our digital strategy.

In response to the current and future impact of Covid-19, Trustees took the decision to significantly reduce the spending on reaching out to new beneficiaries through an advertising and PR campaign. Funds previously designated to that campaign, unspent at the end of the year, will now be used for welfare support and services. The Dependants Fund reserves increased by £505K (2019: £958K) due to the market gains on investments of £406K (2019: £929K) and a £99K operating surplus (2019: £29K).

Restricted funds representing the unexpended balance of funds received for specific charitable activities were £5.7M (2019: £7.1M).

Endowment funds including both permanent and expendable funds were £6.3M (2019: £6M).

These funds represent income donated to the Fund but subject to the condition that the capital remains unspent. The increase in the year was due to capital gains on invested funds.

The Trustees are assured that the Fund has adequate resources to continue to operate for the foreseeable future and the Fund

therefore continues to adopt the going concern basis in preparing its financial statements.

Performance against the Reserves Policy is monitored during the year as part of regular financial management.

PENSION DEFICIT

Under FRS 102 the closed defined benefit pension scheme had a deficit of £16.5M (2019: £13.7M). The 2017 triennial valuation of the scheme was a deficit of £3.7M, based on valuation assumptions and an agreement to provide 67 Portland Place W1B 1AR as a contingent asset to the pension fund as security for deficit funding obligations. The building was valued at £11M.

Under the current deficit recovery plan we are obliged to make annual deficit contributions of £500K until 31 July 2024. To support the Staff Pension Fund during the Covid-19 crisis in 2020, our Trustees agreed to accelerate the payment of deficit contributions. £1M was contributed to the pension fund in 2020 (2019: £500K). The 2020 triennial valuation is planned to be completed by the end of 2021.

STRATEGIC RISK MANAGEMENT

The Board of Trustees has overall responsibility for the management of risk in the Fund and in its subsidiary entities. That responsibility is, in part, delegated to the Finance Committee which exercises oversight on the Board's behalf by receiving regular reports, providing recommendations and updating the Board, which then discusses strategic risks at each Board meeting. The Fund's senior management team manages day-to-day risks, regularly assessing these and the associated management procedures.

Our reputation as the RAF's leading welfare charity continues to be our most significant risk as well as one of our greatest assets. Our reputation is carefully guarded by, among other things:

- Ensuring staff at all levels live the Fund's values
- Being honest and transparent about both our successes and our shortcomings
- Maintaining excellent processes to review and improve the support we offer
- Having robust policies and procedures in place to ensure proper governance, regulatory compliance and prompt reporting and resolution of problems.

The negative impact of Covid-19 on our own operations and on the wider sector has exposed us to additional risk by reducing our ability to deliver certain services and impeding our efforts to generate fundraising income. It has also meant staff largely working from home, which needs greater governance and wellbeing oversight. We are managing this by:

- Proactively and regularly monitoring changes to the external environment and adapting our approach accordingly
- Operating under a revised suite of policies and processes to make sure we operate in a Covid-safe manner
- Engaging closely with other charities and key stakeholders
- Protecting staff resilience with a heightened focus on wellbeing, ensuring our employees can continue to be agile in responding to the situation and provide the best possible support for the RAF Family.

On the opposite page is an overview of our other major risks together with corresponding high-level mitigating actions.

RISKS	HOW WE MANAGE THESE RISKS
Governance risks	
Failure to comply with our regulatory obligations, noting the additional risks as a result of extended remote working	• We select Trustees and staff using skills-based and rigorous recruitment processes. • We offer appropriate support for staff capacity, resilience and wellbeing. • We have strong internal communication and management processes. • We promote a culture of openness and constructive challenge, giving staff the training and support necessary to identify and combat wrongdoing. • We use the Charity Governance Code as our primary guidance framework for evaluation, regularly updating our policies and processes in turn.
Welfare delivery risks	
Failure to deliver timely and effective support to anyone in the RAF Family who is in need	• In 2020 we reviewed the beneficiary journey to getting support and have identified and implemented improvements. • We offer a wide range of financial and non-financial services and regularly review their effectiveness and the need for new services. • We undertake research and regularly seek feedback to assess and improve our welfare offer. • We underpin our welfare strategy with commissioned research and use pilot projects to evaluate the viability of our response to emerging needs as appropriate.
Weakness in third-party welfare delivery	• We maintain strong relationships with our caseworking partners and third-party welfare providers and engage with other Service charities to benchmark and share best practice. • We have established 'warm transfers' of beneficiaries between the Fund and RAFA. • New Welfare Navigators will help us have greater oversight over the provision of support and identify issues at the earliest possible stage. • A new pilot establishing a limited in-house caseworking functionality to address complex cases is planned for 2021.

RISKS	HOW WE MANAGE THESE RISKS
Fundraising risks	
Failure to attract sufficient levels of funding to support the strategic aspirations of the Fund (the pandemic has significantly increased this risk)	• We monitor and evaluate the implementation of our agreed fundraising strategy, taking action where appropriate. • We adhere to the Fundraising Regulator’s Code of Fundraising Practice.
Lack of awareness of the Fund and poor differentiation between the Fund and other military charities among our target audiences, potentially impacting our fundraising and reputation (depending on the conduct of other charities)	• Among other initiatives, we continue to drive awareness by building on our previous work to develop our brand and ensure it is advocated and affirmed by our staff and Ambassadors (beneficiaries who go on to speak about their experiences and represent the Fund at events) at every opportunity.
Increased competition in the charity sector for support (many charities are restructuring due to reduced income and the number of urgent and emergency appeals remains high)	• We continue to diversify our income base to reduce reliance on any one stream. • We focus on our impact and telling the stories of the people we help. • We engage closely with the senior leadership of sister charities to avoid overlap and competition where possible.

RISKS	HOW WE MANAGE THESE RISKS
Financial risks	
Long-term financial sustainability	• We are reviewing our financial strategy and long-term financial projections with a view to ensuring we have the flexibility in our operating model to remain financially stable while meeting the needs of the RAF Family. • Our Trustees regularly review our Reserves Policy. • We closely and carefully monitor cash flow projections.
Investment risks	• Our investment strategy offers protection from short-term market volatility. Also, the investment strategies we have in place ensure that our liquidity requirements are met and good returns are achieved with medium-level risk. • Our Finance Committee regularly reviews our investment performance.
The new defined benefit funding code driving increased contributions to meet the Fund’s obligations to the Staff Pension Fund, thereby diverting resources that could be spent on supporting beneficiaries	• We have improved the governance arrangements for the Staff Pension Fund, including the appointment of a Sole Professional Trustee. • We have a clear strategy for completing the next triennial valuation of the pension deficit. • We take appropriate professional advice to inform our position.
Safeguarding risks	
Failure to protect vulnerable people (both internally and in the Fund’s external activities)	• We ensure staff and Trustees have a strong awareness of our safeguarding policies, which are robust and regularly reviewed. • Key staff members have been allocated responsibility for ensuring the Fund meets best practice and have been given additional training. • Safeguarding updates are provided at every Board meeting. • Our Board has a dedicated Safeguarding Lead Trustee with the necessary expertise to assist them with safeguarding matters. • In 2020 we established a Safeguarding Committee to provide further oversight and guidance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

REFERENCE AND ADMINISTRATIVE DETAILS

The Royal Air Force Benevolent Fund has the Charity Commission registration number 1081009. As the Fund owns land and properties in Scotland, it is also registered with the Office of the Scottish Charity Regulator to comply with the Charities and Trustee Investment (Scotland) Act 2005; the registration number is SCO38109. The restricted and endowed funds of the Fund have a separate registration number, 207327. The Fund is also registered as a Royal Charter Company with the Companies House registration numbers ZC000201/RC000773.

In accordance with the provisions of Section 96 of the Charities Act 1993 (now replaced by Section 20 of the Charities Act 2011), the Charity Commission has previously directed that for all or any of the purposes of the Act, the two charities, having the same charity Trustees, are to be treated as a single charity.

The RAF Benevolent Fund group also encompasses other entities, details of which can be found at the back of this report.

STRUCTURE AND GOVERNANCE

The Fund, which was set up in 1919, was incorporated by Royal Charter in 1999. Trustees are appointed by the Council for a four-year term, after which they are eligible for re-election for a further four-year term. Trustees may not hold office for a continuous period exceeding eight years without the consent of the Board.

New Trustees are selected with a view to ensuring that the Board has an appropriate balance of skills, backgrounds and experience relevant to our strategic and operational requirements. We continue to be guided by our Diversity Policy to ensure that the Board is sufficiently diverse to

adapt to macro changes and understand and respond to the needs of the RAF Family. Trustees and non-Trustee committee members are generally recruited through advertisements in the media and via a range of digital networks, and are considered by a Nominations Committee on behalf of the Board of Trustees and the Council. Each new Trustee is provided with a briefing pack and an individual induction programme is agreed and implemented covering all aspects of the role, their responsibilities, the requirements of the regulators and the work of the Fund.

The Board, either as a whole or through its subcommittees, also receives ongoing briefings and training from senior management and external advisers in critical areas such as risk management, reserves, fundraising practices, safeguarding and data protection.

The Board of Trustees consists of no fewer than 10 and no more than 15 Trustees, reflecting a mixture of those who have served in the RAF and those who have a background in industry, law, commerce or other sectors. The Board is assisted by committees overseeing welfare, finance, fundraising and communications, and remuneration activities, and is aided by a number of advisory bodies; the terms of reference for the Board and these committees are reviewed annually to ensure that compliance and relevance are maintained. The terms of reference for the Safeguarding Lead Trustee and the Senior Independent Trustee (who acts as a sounding board for the Chair and as an alternative route for consultation or conflict resolution for either the Trustees or executive should normal channels be unsuitable) are also reviewed annually.

The Board is responsible for our strategic direction and, through its committees, for

monitoring the activities of the executive staff. It reviews the position of the Fund and receives reports from the committees and the Senior Management Team, led by the Controller. The Board also conducts annual performance reviews of the Controller and the Chair of the Board of Trustees, and undergoes its own periodic Board appraisal. The Board met nine times in full session in 2020, including a meeting to discuss Board effectiveness following the completion of a review, a strategy session, and three extraordinary meetings to discuss, among other things, the impact of Covid-19 and the decision to close Princess Marina House.

The Board is responsible for approving the annual business plan and a range of supporting strategies. The Controller and Directors review strategic and policy matters through the Senior Management Team and make recommendations to the Board as appropriate. The Controller, as our Chief Executive, is responsible for the day-to-day management of the Fund's affairs.

We believe that good governance is key to the ongoing success of the organisation. In terms of maintaining high standards of governance, and on the back of the full adoption of the Charity Governance Code and a full external review of its governance practices in 2017, we have further reviewed and strengthened our governance practices in 2020. The Director of Governance acts as the executive focal point for all our governance matters and is strongly engaged with the Charity Commission, peer charities and other key interlocutors to ensure that best practice in sector is incorporated.

STAFF REMUNERATION POLICY

We continue to be strongly committed to recruiting, developing and retaining people with the necessary skills, experience and mindset to deliver our objectives and the ability to make a positive contribution.

Mindful of internal and external pressures, we believe making effective decisions in relation to remuneration and reward is

crucial and central to the continued success of our overall aims.

Our Remuneration Policy centres on the following principles:

- Rewarding employees in a fair, equitable and transparent way
- Aiming to pay competitively against our relevant competitors in the third sector.

We enhance our competitive positioning by promoting a 'total reward' approach, recognising that broader aspects of employment offers (for example, non-financial benefits such as flexible working, modern leave arrangements and development opportunities, as well as the intrinsic moral value of working for a progressive charity) are of increasing value to employees.

REMUNERATION REVIEW

We have a Remuneration Committee, composed of three Trustees, which reviews our Remuneration Policy annually to ensure that the principles outlined above are adhered to and remain appropriate. At the Remuneration Committee meeting, as well as reviewing our pension and broader reward provision, the Committee also considers an annual pay award, the specific purpose of which is to take account of changes in pay movement elsewhere, the prevailing cost pressures bearing on employees and to reward sustained or heightened contribution in role.

To support these decisions, the Remuneration Committee has available data through XPerTHR's annual third sector salary and benefits surveys. All recommendations are then submitted to the Board of Trustees' end of year meeting for approval. In November 2020, having regard to the challenging external circumstances, the actions of comparators in the private and broader sector, and the Fund's own financial position, the Trustees froze staff salaries for the 2021 salary year.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and the group and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities Statement of Recommended Practice (SORP) (FRS 102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

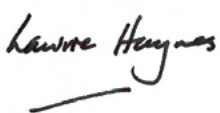
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Fund and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

They are also responsible for safeguarding the assets of the Fund and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

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

TRUSTEE DECLARATION

Trustees hereby approve the 2020 Annual Report



Lawrie Haynes, Chair, Royal Air Force Benevolent Fund

Signed on 16 June 2021

PRINCIPAL PROFESSIONAL ADVISERS

Independent auditor
Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Bankers
Barclays Bank plc
1 Churchill Place
London E14 5HP

Actuary
Broadstone Corporate Benefits Limited
55 Baker Street
London W1U 7EU

Solicitors
Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Investment managers
BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London EC2N 2DL

CCLA Investment Management Limited
Senator House
85 Queen Victoria Street
London EC4V 4ET

Close Brothers Asset Management
55 Grosvenor Street
London W1K 3HY

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Royal Air Force Benevolent Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the 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 affairs of the group and the parent charity at 31 December 2020 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;
 - Have been prepared in accordance with the requirements of the Charities Act 2011;
- and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group or the parent charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- The information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- The parent charity has not kept proper and sufficient accounting records; or
- The parent charity's financial statements are not in agreement with the accounting records and returns; or

- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the statement of Trustees' responsibilities set out on page 38, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditors under the Charities Act 2011 and the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under those Acts.

Our objectives are to obtain reasonable assurance about whether the group and parent charity 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.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with the Trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with informed management and updating our understanding of the sector in which the group and parent charity operates.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005, the Charities (Accounts and Reports) Regulations 2008, the Charities Accounts (Scotland) Regulations 2006 (as amended) and guidance issued by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant

authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or had knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charity's Trustees 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 parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street, London EC4V 4BE

Date: 16 July 2021

Saffery Champness LLP is eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

					2020	2019			
	Note	Unrestricted funds	Restricted funds	Endowed funds	Total	Unrestricted funds	Restricted funds	Endowed funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from									
Donations and legacies		12,864	857	-	13,721	14,071	836	-	14,907
Charitable activities		1,212	20	-	1,232	1,853	19	-	1,872
Other trading activities		360	-	-	360	443	14	-	457
Investments		2,748	(3)	-	2,745	3,073	(377)	-	2,696
Other income		1,080	-	-	1,080	1,507	-	-	1,507
Total income	2	18,264	874	-	19,138	20,947	492	-	21,439
Expenditure on raising funds		5,096	11	-	5,107	5,540	-	-	5,540
Expenditure on charitable activities									
Direct support to individuals		14,950	606	-	15,556	14,251	495	-	14,746
Welfare programmes and grants		4,254	642	-	4,896	5,865	629	-	6,494
Respite care		3,494	436	-	3,930	4,103	374	-	4,477
Housing Trust support		1,465	181	-	1,646	2,208	28	-	2,236
		24,163	1,865	-	26,028	26,427	1,526	-	27,953
Total expenditure	3	29,259	1,876	-	31,135	31,967	1,526	-	33,493
Net expenditure before gains on investments		(10,995)	(1,002)	-	(11,997)	(11,020)	(1,034)	-	(12,054)
Transfers between funds		415	(415)	-	-	-	-	-	-
Net gains on investments	11	2,250	69	292	2,611	10,987	199	742	11,928
Net (expenditure)/income		(8,330)	(1,348)	292	(9,386)	(33)	(835)	742	(126)
Other recognised gains and losses									
Actuarial losses on defined benefit pension scheme	15	(3,538)	-	-	(3,538)	(1,596)	-	-	(1,596)
Net movement in funds		(11,868)	(1,348)	292	(12,924)	(1,629)	(835)	742	(1,722)
Total funds brought forward		109,727	7,076	6,027	122,830	111,356	7,911	5,285	124,552
Total funds carried forward	22	97,859	5,728	6,319	109,906	109,727	7,076	6,027	122,830

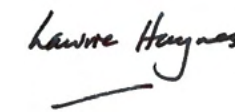
The notes on pages 47 to 79 form part of the financial statements. All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

CONSOLIDATED AND CHARITY BALANCE SHEETS

AS AT 31 DECEMBER 2020

	Note	Group 2020	Group 2019	Charity 2020	Charity 2019
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	274	249	274	249
Tangible assets	10	32,059	32,383	8,805	8,796
Investments	11	78,255	82,390	71,528	75,953
Loans to beneficiaries	12	8,593	9,305	8,593	9,305
		119,181	124,327	89,200	94,303
Current assets					
Stock		6	5	-	-
Debtors and prepayments	13	7,273	7,869	18,412	19,980
Cash at bank and in hand		3,393	7,241	2,164	5,814
		10,672	15,115	20,576	25,794
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	14	(3,416)	(2,884)	(3,044)	(2,764)
Net current assets		7,256	12,231	17,532	23,030
Net assets excluding long-term liabilities and pension liability		126,437	136,558	106,732	117,333
Defined benefit pensions liability	15	(16,531)	(13,728)	(16,531)	(13,728)
Total net assets		109,906	122,830	90,201	103,605
Funds					
Endowment funds		6,319	6,027	6,319	6,027
Restricted funds		5,728	7,076	5,728	6,961
Designated funds		17,404	23,690	10,387	17,178
General funds		96,986	99,765	84,298	87,167
Pension reserve		(16,531)	(13,728)	(16,531)	(13,728)
	22	109,906	122,830	90,201	103,605

Approved by the Board of Trustees on 16 June 2021 and signed on its behalf by



Lawrie Haynes, Chair, Board of Trustees

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£'000	£'000
Net cash used in operating activities	(13,987)	(13,315)
Cash flows from investing activities		
Dividends and interest from investments	2,860	2,674
Proceeds from the sale of property	1,538	2,716
Purchase of property and equipment	(1,557)	(2,082)
Net proceeds from (purchase)/sale of investments	6,631	12,346
Net cash provided by investing activities	9,472	15,654
Cash flows from financing activities		
Loans awarded	(109)	(135)
Loan repayments	776	900
Net cash provided by financing activities	667	765
Change in cash and cash equivalents in the year	(3,848)	3,104
Cash and cash equivalents as at 1 January	7,241	4,137
Cash and cash equivalents as at 31 December	3,393	7,241
Reconciliation of net income to net cash flow from operating activities		
Net expenditure for the year ended 31 December	(9,386)	(126)
Adjustments for:		
Depreciation charges and amortisation	1,185	1,257
Gains on investments	(2,611)	(11,928)
Income attributable from joint venture	115	478
Dividends and interest from investments	(2,860)	(2,674)
Profit on the sale of fixed assets	(867)	(1,280)
Loan interest	(57)	(104)
Loans converted to grants	74	17
Loans written off	28	2
Increase in stock	(1)	3
Decrease in debtors	596	622
Increase in creditors	532	581
Pension interest expense	265	337
Pension fund costs	(1,000)	(500)
Net cash used in operating activities	(13,987)	(13,315)
Analysis of cash and cash equivalents		
Current accounts	3,393	7,241
Total cash and cash equivalents	3,393	7,241

Analysis of changes in net debt

	At 1 January 2020	Cash flows	At 31 December 2020
	£'000	£'000	£'000
Cash – current accounts	7,241	(3,848)	3,393

	At 1 January 2019	Cash flows	At 31 December 2019
	£'000	£'000	£'000
Cash – current accounts	4,137	3,104	7,241

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 PRINCIPAL ACCOUNTING POLICIES

These are the financial statements of the RAF Benevolent Fund and its related entities. The Charity was incorporated by Royal Charter in England and Wales on 29 December 1999. The Trustees of the Charity are named on page 2. The registered office is 67 Portland Place, London W1B 1AR.

BASIS OF PREPARATION

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

ACCOUNTING CONVENTION

These financial statements have been prepared on a going concern basis under the historical cost convention, with the exception of investments which are included at market

value, and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the 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 (Charities SORP (FRS 102)), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary entities are consolidated on a line by line basis. A summary of the results of the subsidiary entities is shown in Note 26.

The Group's share of net income of the joint venture (20%) is accounted for using the equity method and is shown in the consolidated SOFA with the share of net assets shown on the balance sheet as an investment.

FUNCTIONAL CURRENCY

The Charity's functional and presentational currency is GBP and is shown as £'000s in the financial statements.

GOING CONCERN

The Trustees have assessed whether the use of the going concern basis is appropriate, particularly after taking the impact of the Covid-19 pandemic into account. They have reassessed the business plans, income and expenditure projections, and taken the Charity's reserves levels into account. Their conclusion is that there is no doubt about the Charity's ability to continue operating as a going concern.

The Trustees have made this assessment for a period of at least one year from the date of approving the financial statements and are assured that the Charity has adequate resources to continue to operate for the foreseeable future.

The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

FUND ACCOUNTING

General funds are unrestricted funds that are available for use at the discretion of the Trustees in furtherance of the general objects of the Charity and that have not been designated by the Trustees for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds are set out in the notes to the financial statements.

Restricted funds are funds that are to be used in accordance with specific restrictions imposed by donors or that have been raised by the Charity for particular purposes. The

costs of raising and administering such funds are charged against specific funds. The aim and use of the larger restricted funds is set out in the notes to the financial statements.

Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while Trustees have the power to convert expendable funds into income. These funds are set out in Note 25. The return on endowment investments is made up of income earned and gains or losses in the market value of the investments.

Income generated from endowment funds is spent on charitable activities. Investment income and gains are allocated to the appropriate fund.

RECOGNITION OF INCOME

Income is recognised in the SOFA when the Charity becomes entitled to it, it is more likely than not that the income will be received, and the monetary value of the income can be estimated with sufficient accuracy. Entitlement to legacy income is assumed when there is sufficient evidence that a gift has been left to the Charity, usually through the notification of a Will. Receipt of legacy income is deemed probable when there has been a grant of probate, and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Charity or uncertainty around receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

RECOGNITION OF EXPENDITURE

Expenditure is recognised in the SOFA on an accrual basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more than likely that payment will be paid in settlement.

Two main categories of expenditure shown in the SOFA are expenditure on raising funds

and expenditure on charitable activities. Expenditure on raising funds includes all expenditure incurred to raise voluntary income to spend on charitable purposes as well as investment management fees. Expenditure on charitable activities includes all costs incurred by the Charity in carrying out its charitable aims to support the beneficiaries of the Fund.

SUPPORT COSTS

Support costs have been classified as: information technology and facilities, depreciation, general management and administration, finance and payroll, HR and governance. These costs have been allocated to activities on a basis consistent with the use of resources, and indirect costs have been apportioned on a headcount basis or in proportion to direct costs or income.

GRANT COMMITMENTS

Grants awarded are expensed in the SOFA in the year in which they are approved by the Trustees and the offer is conveyed to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets costing more than £1K (£5K in the RAF Benevolent Fund Housing Trust Limited) are capitalised and included at cost, including any incidental expense of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

- Freehold land – nil
- Freehold buildings – over 50 years
- Leasehold buildings – over the life of the lease, or 50 years if shorter
- Leasehold improvements – over 30 years
- Project and office equipment – over five years

- Computer equipment – over three years
- Motor vehicles – over five years.

A full year's depreciation is provided in the year of asset acquisition, and none in the year of disposal.

INTANGIBLE FIXED ASSETS AND AMORTISATION

Software is classified as an intangible fixed asset and is capitalised where the cost plus incidental expenses incurred in acquisition is more than £1K.

Amortisation is provided on intangible fixed assets to write off the capitalised value on a straight-line basis over three years. A full year's amortisation is provided in the year of asset acquisition, and none in the year of disposal.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the SOFA.

RELATED PARTY DISCLOSURES

The Charity has made the required disclosures in accordance with the Charities SORP (FRS 102).

Transactions with group undertakings are eliminated on consolidation.

INVESTMENTS

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluation and disposals throughout the year. Income receivable on investments is recognised in the SOFA on the accruals basis.

JOINT VENTURE

The RAF100 Appeal (Registered Charity 1167398; Company Registration: 9977273) was formed to bring the four major RAF

charities and the RAF itself together to mark the centenary of the RAF with a programme of events. To assist with providing initial working capital, the Fund and the other RAF charities each provided a £25K short-term interest-free loan to the RAF100 Appeal which has been subsequently repaid. On completion of the joint venture project any surplus reserves have been or will be distributed as agreed among the joint venture partners.

The income receivable from the RAF100 Appeal is recognised in the Charity's accounts when the Charity becomes entitled to it, and the amount can be estimated with sufficient accuracy.

STOCK

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

PENSION COSTS

Pensions are accounted for in accordance with FRS 102 Section 28, with a valuation undertaken by an independent actuary for the defined benefit scheme, the Royal Air Force Benevolent Fund Staff Pension Fund, which is closed to future accrual. Net pension finance income or costs are included immediately in other income or employee costs as appropriate.

Actuarial gains and losses are recognised immediately on the face of the SOFA. The scheme deficit is included as a liability in the balance sheet. Details of the pension scheme are included in Note 15 to the accounts.

The amounts charged to the SOFA for defined contribution schemes represent the contributions payable in the period.

FINANCE AND OPERATING LEASES

The Charity does not have any finance leases. Rentals payable under operating leases are charged to the SOFA over the period in which the cost is incurred on a straight-line basis.

LOANS

Loans are awarded to beneficiaries in furtherance of charitable activities. The particular circumstances of each case will determine whether or not the loan is awarded free of interest. When interest is charged the rate is considerably lower than prevailing market rates. Loans are recognised as assets at the value of the award. Accrued interest where applicable, is recognised as income and added to the balance of the loan. Repayments are made as provided in the loan agreement. To facilitate the relief of hardship and distress, the commencement of repayments can be deferred.

FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See Notes 13 and 14 to the accounts.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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 most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives: The annual depreciation charge for property and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Unsecured loans: A small proportion of loans to beneficiaries are not secured and therefore a general provision for non-repayment is made. The calculation of this provision is based on the historical average rate of default and equates to 10% of the total value of unsecured loans at the balance sheet date.

Pension scheme deficit: The underlying assumptions used by the actuary in valuing the scheme are in accordance with FRS 102 and based on assumptions recommended by the actuary.

2 INCOME AND ENDOWMENTS

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies						
Royal Air Force Service personnel	1,559	-	1,559	1,544	-	1,544
General donations	3,316	533	3,849	2,678	608	3,286
Government grants (Job Retention Scheme)	594	-	594	-	-	-
Legacy income	7,395	324	7,719	9,849	228	10,077
	12,864	857	13,721	14,071	836	14,907
Charitable activities						
Housing	974	20	994	1,003	19	1,022
Respite care	181	-	181	746	-	746
Loan interest	57	-	57	104	-	104
	1,212	20	1,232	1,853	19	1,872
Other trading activities						
Income from fundraising events	268	-	268	365	14	379
Trading income	92	-	92	78	-	78
	360	-	360	443	14	457
Investment income						
Dividends from pooled funds	2,742	112	2,854	2,544	101	2,645
Interest earned	6	-	6	29	-	29
Movement in share of joint venture	-	(115)	(115)	500	(478)	22
	2,748	(3)	2,745	3,073	(377)	2,696
RAF100 spent the remaining balance of its funds in 2020. The 20% share of the joint venture has been adjusted to reflect this (see Note 11).						
Other income						
Profit on the sale of fixed assets	867	-	867	1,280	-	1,280
Pension interest income	213	-	213	215	-	215
Administration fee	-	-	-	12	-	12
	1,080	-	1,080	-	1,507	-
Total income	18,264	874	19,138	20,947	492	21,439

3 ANALYSIS OF EXPENDITURE

	Direct costs	External grants	Support costs	Total 2020	Direct costs	External grants	Support costs	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	2,608	-	1,696	4,304	2,639	-	1,670	4,309
Regional engagement	501	-	-	501	680	-	-	680
Other trading activities	87	-	-	87	180	-	-	180
Investment management fees	215	-	-	215	371	-	-	371
	3,411	-	1,696	5,107	3,870	-	1,670	5,540
Charitable activities								
Direct support to individuals	13,675	-	1,881	15,556	13,182	-	1,564	14,746
Welfare programmes and grants	751	3,374	771	4,896	632	5,023	839	6,494
Respite care	3,732	-	198	3,930	3,919	-	558	4,477
Housing Trust support	824	-	822	1,646	1,687	-	549	2,236
	18,982	3,374	3,672	26,028	19,420	5,023	3,510	27,953
Total expenditure	22,393	3,374	5,368	31,135	23,290	5,023	5,180	33,493

See Note 21 for analysis of welfare programmes and grants relating to external grants.

4 ANALYSIS OF SUPPORT COSTS

	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	572	586	295	87	81	1,621
Depreciation and amortisation	204	164	111	50	657	1,186
General management and administration	172	175	80	26	25	478
Finance and payroll	278	359	104	11	21	773
HR	187	242	71	8	14	522
Governance *	283	355	110	16	24	788
Total	1,696	1,881	771	198	822	5,368

* Governance costs include additional one-off costs relating to the review and restructure of the RAF Benevolent Fund Staff Pension Fund.

	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	631	481	260	173	116	1,661
Depreciation and amortisation	180	354	246	158	319	1,257
General management and administration	197	148	82	54	37	518
Finance and payroll	272	240	103	71	31	717
HR	139	122	52	36	16	365
Governance	251	219	96	66	30	662
Total	1,670	1,564	839	558	549	5,180

The 2019 figures have been restated to net off £500K previously shown in pension interest income.

5 STAFF COSTS

	2020	2019
	£'000	£'000
Wages and salaries	6,469	6,522
Social security costs	855	655
Pension costs	650	593
Termination and redundancy costs	743	-
	8,717	7,770

Covid-19 restrictions and the risks the pandemic posed to our guests exacerbated the issue of the long-term viability of Princess Marina House (PMH), our respite care centre on the south coast. The Board took the decision to close the site permanently with a loss of 114 posts. Staff costs include termination and redundancy costs for 100 employees who worked at PMH.

The number of employees whose pay and benefits (excluding pension contributions) amounted to more than £60,000 in the year was as follows:

	2020	2019
	No.	No.
£60,001–£70,000	11	7
£70,001–£80,000	4	2
£80,001–£90,000	1	-
£90,001–£100,000	1	2
£100,001–£110,000	2	1
£110,001–£120,000	1	1
£120,001–£130,000	1	-
£130,001–£140,000	-	1
	21	14

19 employees (2019: 13) whose pay and benefits amounted to more than £60,000 in the year were members of the Group Personal Pension Plan, a money purchase scheme. Three employees were included in the higher bandings due to redundancy and termination payments.

The average number of employees, calculated on a headcount basis, analysed by function was:

	2020	2019
	No.	No.
Charitable activities	139	155
Cost of generating funds	38	36
Governance, administration and support	29	25
	206	216

The average number of employees in charitable activities fell as result of the closure of PMH and the resulting staff redundancies made in September.

6 KEY MANAGEMENT PERSONNEL

The key management personnel of the RAF Benevolent Fund are the Trustees and the Senior Management Team (SMT). In 2020, the latter included the Controller, the Chief of Staff, the Director of Welfare and Policy, the Director of Fundraising and Communications and the Director of Finance. Total employee pay and benefits received by SMT for services to the Charity in 2020 were £632K (2019: £589K).

7 NET EXPENDITURE

	2020	2019
	£'000	£'000
Net expenditure for the year is stated after charging:		
Audit fees	66	53
Audit fees – additional fees re prior year audit	16	-
Internal audit fees	-	22
Investment management fees	215	371
Amortisation of intangible assets	177	46
Depreciation	1,008	1,211
Operating leases	68	98
Profit on disposal of fixed assets	(867)	(1,280)

8 TRUSTEES' REMUNERATION

The Trustees neither received nor waived any emoluments during the year 2020 (2019: £nil). Out-of-pocket expenses were reimbursed to Trustees as follows:

	2020	2019	2020	2019
	No.	No.	£	£
Travel	nil	3	nil	2,231

9 INTANGIBLE ASSETS

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Software costs				
Cost on 1 January	3,255	3,065	3,255	3,065
Additions during the year	202	190	202	190
Cost at 31 December	3,457	3,255	3,457	3,255
Amortisation at 1 January	(3,006)	(2,960)	(3,006)	(2,960)
Amortisation for the year	(177)	(46)	(177)	(46)
Accumulated amortisation at 31 December	(3,183)	(3,006)	(3,183)	(3,006)
Net book value 31 December	274	249	274	249

10 TANGIBLE FIXED ASSETS

	Group 2020			Charity 2020		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	43,107	2,519	45,626	12,275	2,519	14,794
Additions during the year	1,355	-	1,355	428	-	428
Disposals during the year	(897)	(179)	(1,076)	-	(179)	(179)
Cost at 31 December	43,565	2,340	45,905	12,703	2,340	15,043
Depreciation at 1 January	(10,827)	(2,416)	(13,243)	(3,582)	(2,416)	(5,998)
Depreciation for the year	(955)	(53)	(1,008)	(338)	(53)	(391)
Depreciation on disposals during the year	254	151	405	-	151	151
Accumulated depreciation at 31 December	(11,528)	(2,318)	(13,846)	(3,920)	(2,318)	(6,238)
Net book value 31 December 2020	32,037	22	32,059	8,783	22	8,805

	Group 2019			Charity 2019		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	43,386	2,536	45,922	13,569	2,536	16,105
Additions during the year	1,887	5	1,892	-	5	5
Disposals during the year	(2,166)	(22)	(2,188)	(1,294)	(22)	(1,316)
Cost at 31 December	43,107	2,519	45,626	12,275	2,519	14,794
Depreciation at 1 January	(10,444)	(2,340)	(12,784)	(3,769)	(2,340)	(6,109)
Depreciation for the year	(1,113)	(98)	(1,211)	(330)	(98)	(428)
Depreciation on disposals during the year	730	22	752	517	22	539
Accumulated depreciation at 31 December	(10,827)	(2,416)	(13,243)	(3,582)	(2,416)	(5,998)
Net book value 31 December 2019	32,280	103	32,383	8,693	103	8,796

10 TANGIBLE FIXED ASSETS (cont)

			2020		2019	
	Property Equipment		Total	Property Equipment	Total	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net book value at 31 December is analysed as follows:						
Gulf Trust Fund (restricted fund)	134	-	134	139	-	139
Princess Marina House	3,680	22	3,702	3,776	103	3,879
RAFBF respite homes	407	-	407	-	-	-
Headquarters – London	4,562	-	4,562	4,778	-	4,778
Charity	8,783	22	8,805	8,693	103	8,796
RAFBF Housing Trust Limited	23,254	-	23,254	23,587	-	23,587
Group	32,037	22	32,059	32,280	103	32,383
The net book value of properties comprises:						
Freehold	31,498			31,725		
Long leasehold	539			555		
	32,037			32,280		

Properties held by the RAF Benevolent Fund Housing Trust Limited support charitable activities. Properties are held so that beneficiaries, including wounded, injured or sick personnel who have been medically discharged from the RAF, can live in suitable, usually heavily adapted accommodation. Properties are stated at historical cost and depreciated as per the policy stated in Note 1.

11 FIXED ASSET INVESTMENTS

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Market value as at 1 January	82,275	82,693	75,953	77,525
Additions	1,083	30,725	1,083	30,500
Withdrawals	(7,714)	(43,071)	(7,714)	(43,071)
Net investment gains	2,611	11,928	2,206	10,999
Market value at 31 December	78,255	82,275	71,528	75,953
Share of joint venture				
Joint venture RAF100 Appeal as at 1 January	115	593	-	-
Movement in share of joint venture	(115)	(478)	-	-
Joint venture RAF100 Appeal as at 31 December	-	115	-	-
Total fixed asset investments	78,255	82,390	71,528	75,953

Investments are represented by:

Listed investments	74,529	76,027	67,802	69,705
Cash holdings in investments	3,194	5,687	3,194	5,687
RAF Disabled Holiday Trust Bonds	532	561	532	561
Total	78,255	82,275	71,528	75,953

The Charity is the only Trustee of the RAF Disabled Holiday Trust whose net assets to the value of £532K are included within investments. Also included is the Charity's share capital in RAFBF Trading Limited of £1. The results of this subsidiary entity are shown in Note 26.

The RAF100 Appeal was established in January 2016. Its principal activity was to agree and coordinate plans and associated fundraising activities for the RAF centenary year. On completion of the joint venture project any surplus reserves will be distributed as agreed among the joint venture partners. The Charity's 20% share of the net assets of the joint venture is shown above as part of the total fixed asset investments. The investment and the net income attributable are calculated on the basis of the funds under the joint venture's control.

As a result of the Covid-19 pandemic in 2020 the markets entered a period of volatility during which investment values fell, with a 20% loss by the second quarter of the year. Subsequently markets started to recover, and by the year end losses had been recouped and there was a market gain of £2.6M.

12 LOANS TO BENEFICIARIES

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Balance at 1 January	9,305	9,985	9,305	9,985
New loans	109	135	109	135
Interest charged	57	104	57	104
	9,471	10,224	9,471	10,224
Repayments	(776)	(900)	(776)	(900)
Loans converted to grants	(74)	(17)	(74)	(17)
Bad debts written off	(28)	(2)	(28)	(2)
Balance at 31 December	8,593	9,305	8,593	9,305

Loans are provided so that beneficiaries can continue to live in their own homes. Loan interest is charged depending on the nature of the case and where applicable, the interest rate is substantially below commercial rates. The outstanding loans include balances totalling £8.5M (2019: £9.2M) which are secured by legal charges on the assets of the beneficiaries. The majority of loans have no fixed repayment date and are normally repayable from the beneficiary's estate. Provision for loan conversion is calculated at 10% of unsecured loans. Total outstanding unsecured loans at the year end is £96K (2019: £96K).

13 DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Legacies	6,558	7,188	6,558	7,102
Inter-company balance	-	-	11,232	12,315
Other debtors	535	597	456	479
Prepayments	180	84	166	84
	7,273	7,869	18,412	19,980

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	430	520	430	520
Taxation and social security costs	246	253	240	249
Accruals for grants payable	2,291	1,862	2,014	1,839
Other creditors	449	249	360	156
	3,416	2,884	3,044	2,764

15 PENSION COMMITMENTS

The RAF Benevolent Fund pension arrangements are as follows:

A Group Personal Pension Scheme made up of a collection of individual pension plans arranged by the Fund is provided by an insurance provider. This service has been provided by Royal London since November 2016. The liability of the employer is limited to the contributions it makes which amounted to £650K (2019: £593K), of which £55K remained payable at the year end (2019: £62K).

The RAF Benevolent Fund Staff Pension Fund is a defined benefit scheme. The scheme was closed to new members on 31 August 2005 and was closed to future accrual on 1 April 2014. The most recent actuarial valuation was carried out as at 31 December 2017. Under the schedule of contributions agreed as part of the actuarial valuation as at 31 December 2017, the employer paid £1M during 2020 which included an additional £500K (2019: £500K). Triennial valuation will be completed in 2021 and a new deficit contribution plan agreed.

	2020	2019
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(41,561)	(37,767)
Fair value of plan assets	25,030	24,039
Net defined benefit liability	(16,531)	(13,728)

The amounts recognised in the SOFA are as follows:

Net interest expense on net defined benefit liability	265	337
Total pension expense recognised in the SOFA	265	337

Reconciliation of defined benefit obligation over the year		
Defined benefit obligation as at 1 January 2020	(37,767)	(34,526)
Interest expenses on defined benefit obligation	(740)	(948)
Remeasurement – effect of experience adjustments gain	268	40
Remeasurement – effect of changes in assumptions loss	(4,890)	(3,668)
Benefits paid	1,568	1,335

Defined benefit obligation as at 31 December 2020	(41,561)	(37,767)
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Changes in the fair value of plan assets over the year:

Fair value of plan assets as at 1 January 2020	24,039	22,231
Interest income on plan assets	475	611
Remeasurement – return on plan assets excluding interest income gain	1,084	2,032
Contributions by employer	1,000	500
Benefits paid	(1,568)	(1,335)

Fair value of plan assets as at 31 December 2020	25,030	24,039
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Return on plan assets	1,559	2,643
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15 PENSION COMMITMENTS (cont)

	2020	2019
	£'000	£'000
Remeasurements recognised in SOFA		
Remeasurement – effect of experience adjustments gain	268	40
Remeasurement – effect of changes in assumptions loss	(4,890)	(3,668)
Remeasurement – return on plan assets excluding interest income gain	1,084	2,032
Total remeasurement loss recognised in SOFA	(3,538)	(1,596)

	2020		2019	
	£'000	%	£'000	%
Assets:				
Target Return Fund	24,484	97.8%	23,623	98.3%
Bonds	-	0.0%	193	0.8%
Cash/other	546	2.2%	223	0.9%
	25,030	100%	24,039	100%

	2020	2019
Principal actuarial assumptions at the balance sheet date		
Discount rate	1.3%	2.0%
RPI inflation rate	3.0%	3.2%
CPI inflation rate	2.3%	2.2%
Increases to pensions in deferment (CPI max 5%)	2.3%	2.2%
Increases to pensions in payment (CPI max 5%)	2.3%	2.3%
Commutation (% of pension)	25%	25%
Mortality – base table	S2PA	S2PA
Mortality – allowance for future improvements	CMI	CMI
	2017	2017
	1.0% LTR	1.0% LTR
Life expectancies from age 63:		
Male currently aged 63	86.7	86.6
Female currently aged 63	88.7	88.6
Male currently aged 43	87.9	87.8
Female currently aged 43	90.0	89.9

Amounts for current and previous four periods are as follows:

	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(41,561)	(37,767)	(34,526)	(37,973)	(37,650)
Fair value of plan assets	25,030	24,039	22,231	22,958	23,204
Deficit	(16,531)	(13,728)	(12,295)	(15,015)	(14,446)

16 RELATED PARTY DISCLOSURE

Donations to the value of £100 (2019: £249) were received from individual Trustees in the year. Details of all inter-company transactions are shown in Note 26 on subsidiary entities. There were no other related party transactions.

17 CAPITAL COMMITMENTS

Planned capital commitments in 2021 are for the continuing introduction of a new accounting system which has a budget remaining of £70K. A total of £280K has already been capitalised for this project with £90K capitalised in the current period. In addition there are further capital commitments in 2021 of £82K for the website redevelopment and design with £112K already capitalised in 2020.

18 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2020	2019	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible, intangible fixed assets	32,199	32,493	134	139	-	-	32,333	32,632
Investments	68,715	73,146	3,207	3,203	6,333	6,041	78,255	82,390
Loans to beneficiaries	8,455	9,167	138	138	-	-	8,593	9,305
Current assets	7,918	11,005	2,249	3,596	505	514	10,672	15,115
Current liabilities	(2,897)	(2,356)	-	-	(519)	(528)	(3,416)	(2,884)
Pension liability	(16,531)	(13,728)	-	-	-	-	(16,531)	(13,728)
Total net assets	97,859	109,727	5,728	7,076	6,319	6,027	109,906	122,830

19 OPERATING LEASES

At 31 December 2020 the group had total annual commitments under non-cancellable operating leases, all for office equipment and vehicles as follows:

	2020	2019
	£	£
Payments due: office equipment and vehicles		
Within one year	25,364	58,479
Within two to five years	22,434	51,161
Total	47,798	109,640

20 CONTINGENT LIABILITY

The last triennial valuation of the Staff Pension Fund (SPF) identified a deficit of £3.65M as at 31 December 2017, on an agreed prudent funding basis. The Fund is required to enter into a Recovery Plan to extinguish the deficit. The plan commits the Fund to making annual payments of £500K until the earlier of 31 December 2024 or such date as when the deficit is extinguished.

The Trustees of the RAF Benevolent Fund have granted a legal mortgage over the Charity's head office at 67 Portland Place and 45 Devonshire Close, London, in favour of the Trustees of the SPF.

This charge is to secure future payments from the Charity to the SPF to extinguish the deficit. The obligation secured by the mortgage is in accordance with applicable statutory requirements. The Trustees have also complied with the requirements of Section 124 of the Charities Act 2011 to obtain and consider proper advice.

A formal valuation of the property which is held on a long lease (virtual freehold) interest, was carried out in August 2019 and the market value was placed at £11M. This property is shown at a net book value of £4.6M in the balance sheet.

21 WELFARE PROGRAMMES AND GRANTS

	2020	2019
	£	£
GRANT FUNDING TO THE SERVING RAF		
General welfare		
Citizens Advice Station Outreach Clinic		
Mid Lincolnshire CAB (RAF Digby, Coningsby, Cranwell)	4,000	-
Rutland CAB (RAF Wittering)	-	3,500
	4,000	3,500
Station grants		
RAF Akrotiri	38,546	-
RAF Benson	1,970	158,000
RAF Boulmer	386	143,889
RAF Brize Norton	16,113	50,000
RAF Coningsby	2,870	121,476
RAF Corsham (MOD)	1,015	-
RAF Cosford	2,500	305,645
RAF College Cranwell	7,425	-
RAF Digby	2,500	1,648
JSSU Cyprus	-	6,375
RAF Episkopi	9,539	71,093
RAF Fylingdales	13,712	400
RAF Halton	3,952	-
RAF Henlow	1,856	-
RAF High Wycombe (unspent balance for previous awards)	(49,368)	145,988
RAF Honington	1,089	74,874
RAF Leeming	19,950	57,035
RAF Linton-on-Ouse	-	4,795
RAF Lossiemouth	7,888	20,108

RAF Marham	5,510	4,600
RAF Naples JFC	3,739	-
RAF Northolt	394	-
RAF Northwood	-	11,460
RAF Odiham	1,880	113,426
RAF Scampton	13,662	93,550
RAF Shawbury	-	453,638
MOD Southwick Park	-	13,203
RAF Spadeadam	610	-
RAF St Mawgan	1,990	7,800
RAF Valley	6,395	128,184
RAF Waddington	8,791	110,350
RAF Wittering	40,421	10,360
RAF Wyton	2,219	2,785
RAF Small Arms Association	-	9,475
RAF(U) Swanwick	650	-
RAF Families' Day funding programmes at nil RAF stations (2019: 37 stations)	-	44,260

168,204 2,164,417

TOTAL GRANT FUNDING TO THE SERVING ROYAL AIR FORCE 172,204 2,167,917

CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE	2020	2019
	£	£
Airplay programme		
RAF stations – youth support programme	935,139	1,268,137
RAF stations – Ben Play parenting and play parks	770,554	139,068
	1,705,693	1,407,205
General support		
Reading Force	-	21,052
RAF Families Federation	15,000	-
Relate – Building Stronger Families	21,624	3,000
	36,624	24,052

TOTAL CONTRACTED SERVICES TO THE SERVING ROYAL AIR FORCE 1,742,317 1,431,257

TOTAL GRANTS AND CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE 1,914,521 3,599,174

CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	2020	2019
	£	£
Wellbeing partnerships		
Headspace/Anxiety UK (mental wellbeing)	71,424	17,534
Community Network/Silver Line	94,022	42,495
GamCare/Work Stress Management	-	22,950
Work Stress Management (listening and counselling)	343,452	198,725

Manage Health (listening and counselling)	66,540	-
Relate (young people listening and counselling)	18,216	-
Anxiety UK (listening and counselling)	32,887	93,906
Workshop and coaching	9,600	8,484
Digital tools	-	36,564
	636,141	420,658
Relationship support		
Relate – relationship counselling/mediation	130,163	152,460
TOTAL CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	766,304	573,118

GRANT FUNDING TO THE VETERANS' COMMUNITIES	2020	2019
	£	£
317 Sqn MT Association	-	750
Addaction	15,000	-
Age Concern Spain – ACASA	17,000	18,000
Age UK Portsmouth	8,000	-
Alzheimer's Society	-	22,500
Bridge For Heroes	5,000	4,000
Bright Rebel Coaching	-	140
Brighterway	-	2,000
Combat Stress	167,120	250,000
Czech Veterans	4,732	-
Defence Medical Welfare Service	15,000	-
Fares4Free	7,000	-
Goodwill Solutions – The Learning Academy	3,000	-
Hartlepool Community Sport Foundation	-	1,000
Horseback UK	-	7,500
ILM Highland	7,500	-
Improving Lives Plymouth	5,000	-
Military Wives Choir Foundation	10,000	-
Mow and Grow	-	4,000
Mutual Support	-	7,500
National Gulf Veterans and Families Association	10,000	11,500
On Course Foundation	5,000	5,000
Polish Veterans	6,240	-
Poppy Scotland – ASAP	20,000	20,000
Project Propeller	5,000	-
RAF Widows' Association	34,712	34,000
Royal Air Forces Association (support towards caseworking costs)	-	35,000
Royal Canadian Legion	-	1,315
Royal Commonwealth Ex-Services League (includes support towards caseworking costs)	35,473	31,624
Scotty's Little Soldiers	6,000	3,300
Spinal Injuries Association	10,000	-
SSAFA, the Armed Forces Charity (includes support towards caseworking costs)	65,275	70,000
Step Together Volunteering	-	10,000
Stoll	12,000	12,000

Taxi Charity for Military Veterans	-	5,000
Team Endeavour Racing	4,000	-
The Gwennili Trust	2,000	2,000
The Matthew Project	-	5,000
The Not Forgotten Association	-	15,000
The Ripple Pond	2,500	1,376
Turn to Starboard	-	12,500
Veterans Outreach Support	10,000	12,500
Victoria Cross and George Cross Association	-	750
Waterloo Uncovered	3,000	5,000
Widows' Association of Great Britain	5,000	-
	500,552	610,255

Employment support

Future for Heroes	-	4,500
The Poppy Factory	15,000	19,000
HighGround	10,000	-
Regular Forces Employment Association	111,037	58,000
SaluteMyJob	-	14,000
Skills Force	-	4,500
Walking With The Wounded	-	12,500
The Warrior Programme	-	15,000
CatZero Limited	-	3,500
	136,037	131,000

Housing support

Broughton House	33,000	18,000
Scottish Veterans Residences	-	10,000
Single Homelessness Action In Durham	-	2,500
Veterans Aid	15,000	15,000
Queen Elizabeth Hospital Birmingham Hospital Charity – Fisher House	5,000	10,000
Alabaré Christian Care Centres	-	15,000
	53,000	70,500

Residential and respite care		
Care for Veterans (previously Queen Alexandra Hospital Home)	-	20,000
The Curphey Home	-	3,000
Music in Hospitals and Care	-	4,000
Revitalise	-	11,500
	-	38,500

TOTAL GRANT FUNDING TO THE VETERANS' COMMUNITY	689,589	850,255
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TOTAL GRANT AND CONTRACTED SERVICES PAYMENTS TO THIRD PARTIES	3,370,414	5,022,547
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Total contracted services	2,508,621	2,004,375
Total discretionary grants	861,793	3,018,172

TOTAL COST OF SUPPORT THROUGH GRANT AND CONTRACTED SERVICES	3,370,414	5,022,547
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22 STATEMENT OF FUNDS

	At 1 January 2020	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2020	Charity at 31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	99,765	17,873	(22,163)	1,844	(333)	96,986	84,298
Designated funds – see Note 23	23,690	391	(6,831)	406	(252)	17,404	10,387
Pension reserve	(13,728)	-	(265)	(3,538)	1,000	(16,531)	(16,531)
Total unrestricted funds	109,727	18,264	(29,259)	(1,288)	415	97,859	78,154
Restricted income funds – see Note 24	7,076	874	(1,876)	69	(415)	5,728	5,728
Endowment funds – see Note 25	6,027	-	-	292	-	6,319	6,319
Total funds	122,830	19,138	(31,135)	(927)	-	109,906	90,201

	At 1 January 2019	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2019	Charity at 31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	92,997	20,559	(23,539)	10,058	(310)	99,765	87,167
Designated funds – see Note 23	30,654	388	(8,091)	929	(190)	23,690	17,178
Pension reserve	(12,295)	-	(337)	(1,596)	500	(13,728)	(13,728)
Total unrestricted funds	111,356	20,947	(31,967)	9,391	-	109,727	90,617
Restricted income funds – see Note 24	7,911	492	(1,526)	199	-	7,076	6,961
Endowment funds – see Note 25	5,285	-	-	742	-	6,027	6,027
Total funds	124,552	21,439	(33,493)	10,332	-	122,830	103,605

Unrestricted funds

The sum of £17.4M (2019: £23.7M) is included in unrestricted funds and relates to the following designated reserves:

£7M (2019: £6.5M)	Reserves held by the RAF Dependants Fund to relieve immediate financial distress in the event of the death of a subscriber by giving a tax-free grant, payable at the discretion of the Fund
£1.2M (2019: £2M)	Fundraising development and systems upgrade
£2.7M (2019: £3.6M)	Investment in Airplay programmes on RAF stations
£nil (2019: £6.4M)	Reaching out campaign to elderly veterans and costs of additional services
£6.5M (2019: £5.2M)	Funds for developing and providing enhanced welfare services

The transfer of £1M (2019: £500K) from general reserves to the pension reserve represents the Fund's contribution paid into the defined benefit pension scheme in the year.

Restricted income funds – Over £100K

Bomber Command Memorial	Maintenance of the Bomber Command Memorial in Green Park, Piccadilly
Fulmer Fund	These funds are held for serving RAF in need of maternity services, post-natal services or the provision of childcare facilities on RAF bases
Gulf Trust	These funds are held in a ring-fenced fund for the benefit of RAF Gulf War veterans
Lowe Trust	Supports Battle of Britain veterans and their descendants
Respite Care – LIBOR	LIBOR funding received to increase and develop our respite care provision
RAF Disabled Holiday Trust	Providing holidays to severely disabled serving and ex-RAF personnel and their immediate dependants
Afghan Brain Injury	Support to veterans of Afghanistan who have sustained a brain injury

Endowment funds – Over £100K

E H Jubb Fund	For the benefit of air crew, their widows and dependants
Newton Driver Memorial Fund	For the maintenance and upkeep of property used as a home for members of the RAF and their dependants who are convalescent or disabled. If the income cannot be used for this purpose it can be applied for general purposes of the Fund
Viscount Nuffield Endowment	Income used for general purposes
Hector Pilling Memorial Fund	To provide financial assistance for foundationers at the Duke of Kent School
RAF Prize Trust	To help with the education of dependants of deceased members of the RAF killed on duty or attributable to Service
Douglas Turner Benefaction	To be used for the assistance or benefit, including education, of former or future pilots and navigators and their dependants
RAFBF Educational Endowment Fund	To promote the education of the children of members of the Royal Air Force
RAFBF Educational Expendable Fund	To promote the education of the children of members of the Royal Air Force
Peter Henry Slater-Eiggert Memorial Fund	For the benefit of ex-members and dependants of 83 Squadron
The Revd. James Edmund Strickland Memorial Fund	For the use of general purposes of the Royal Air Force Benevolent Fund

23 DESIGNATED FUNDS

	At 1 January 2020	Income	Expenditure	Net gains	Transfers	At 31 December 2020
	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising development and systems upgrade	1,970	-	(509)	-	(252)	1,209
Investment in Airplay programmes	3,567	-	(875)	-	-	2,692
New and enhanced welfare services	5,197	-	(4,080)	-	5,369	6,486
Reaching out campaign and associated additional costs	6,444	-	(1,075)	-	(5,369)	-
Total designated funds – Charity	17,178	-	(6,539)	-	(252)	10,387

RAF Dependants Fund	6,512	391	(292)	406	-	7,017
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Total designated funds – Group	23,690	391	(6,831)	406	(252)	17,404
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	At 1 January 2019	Income	Expenditure	Net gains	Transfers	At 31 December 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Fundraising development and systems upgrade	2,700	-	(540)	-	(190)	1,970
Investment in Airplay programmes	4,800	-	(1,233)	-	-	3,567
New and enhanced welfare services	8,700	-	(3,503)	-	-	5,197
Reaching out campaign and associated additional costs	8,900	-	(2,456)	-	-	6,444
Total designated funds – Charity	25,100	-	(7,732)	-	(190)	17,178

RAF Dependants Fund	5,554	388	(359)	929	-	6,512
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Total designated funds – Group	30,654	388	(8,091)	929	(190)	23,690
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24 RESTRICTED FUNDS

	As at 1 January 2020	Income Expenditure		As at 31 December 2020		As at 1 January 2019	Income Expenditure		As at 31 December 2019
	£	£	£	£		£	£	£	£
Education									
Group Captain W E Purdin Memorial Fund	-	100	-	100		-	98	(98)	-
RAF Prize Trust	-	8,771	(8,771)	-		-	8,603	(8,603)	-
RAFBF Educational Endowment Fund	-	19,746	(19,746)	-		-	19,366	(19,366)	-
RAFBF Educational Expendable Fund	-	5,541	(3,530)	2,011		-	5,442	(5,442)	-
RAFBF Education	-	4,057	(4,057)	-		-	4,253	(4,253)	-
Douglas Turner Benefaction	-	4,700	-	4,700		-	4,610	(4,610)	-
	-	42,915	(36,104)	6,811		-	42,372	(42,372)	-
Princess Marina House and respite care									
Princess Marina House Amenities Fund	64,884	-	(64,884)	-		98,267	14,143	(47,526)	64,884
Princess Marina House Shencot/Seacot House	-	10,472	(10,472)	-		1,725	1,829	(3,554)	-
Princess Marina House other	-	-	-	-		-	1,000	(1,000)	-
The April Fools' Club – serving respite care	109,188	-	(109,188)	-		109,188	-	-	109,188
	174,072	10,472	(184,544)	-		209,180	16,972	(52,080)	174,072
Housing									
Housing Trust General Restricted Fund	-	153,100	(153,100)	-		-	28,229	(28,229)	-
The Hobson Charity – property adaptations	-	10,000	(10,000)	-		-	-	-	-
	-	163,100	(163,100)	-		-	28,229	(28,229)	-
Other									
Bomber Command Memorial	2,512,584	210,746	(70,572)	2,652,758		1,766,404	819,160	(72,980)	2,512,584
Gulf Trust	410,111	19,890	-	430,001		404,021	18,590	(12,500)	410,111
	2,922,695	230,636	(70,572)	3,082,759		2,170,425	837,750	(85,480)	2,922,695
Welfare programmes									
Aged Veteran Fund	-	230	-	230		-	-	-	-
Aged Veteran Lunch Club	4,716	-	(4,716)	-		(64)	5,064	(284)	4,716
Aged Veteran Respite at Home	-	-	-	-		2,834	180	(3,014)	-
Airplay	-	60,000	(60,000)	-		-	35,000	(35,000)	-
Armed Forces Covenant Fund	-	158,500	(158,500)	-		-	-	-	-
Capital Project Childcare Facility	-	27,000	(27,000)	-		-	-	-	-
Caseworking Transformation Project	-	24,053	(24,053)	-		-	-	-	-
Mrs H M Jerham Memorial Fund	2,928	-	-	2,928		2,928	-	-	2,928
RAF stations	-	18,877	(18,877)	-		-	6,000	(6,000)	-
Bereavement support	2,506	-	(2,506)	-		2,506	-	-	2,506
Mental health services	-	104	-	104		-	-	-	-
MBDA Fund	-	9,790	(9,790)	-		-	-	-	-
Restricted to RAF Valley play parks refurbishment	9,449	-	(9,449)	-		9,449	-	-	9,449
Restricted to serving RAF	-	7,975	(7,975)	-		-	-	-	-
Restricted to serving RAF (LIBOR)	473,932	-	(473,932)	-		977,500	-	(503,568)	473,932
	493,531	306,529	(796,798)	3,262		995,153	46,244	(547,866)	493,531

24 RESTRICTED FUNDS (cont)

	As at 1 January 2020	Income Expenditure		As at 31 December 2020		As at 1 January 2019	Income Expenditure		As at 31 December 2019
	£	£	£	£		£	£	£	£
Individual welfare									
Advice and Advocacy	5,748	10,183	(15,931)	-		-	10,206	(4,458)	5,748
Afghan Brain Injury	226,728	-	-	226,728		226,728	-	-	226,728
Afghan: LIBOR	189,316	-	(188,950)	366		304,229	-	(114,913)	189,316
Various legacies – beneficiaries in Lossiemouth	-	-	-	-		25,000	-	(25,000)	-
Various legacies – beneficiaries in Scotland	-	57,924	(57,924)	-		-	151,066	(151,066)	-
RAF Disabled Holiday Trust	575,760	10,321	(31,769)	554,312		568,705	7,055	-	575,760
Fulmer Fund	240,555	-	(29,277)	211,278		240,555	-	-	240,555
Garden maintenance	-	7,500	(7,500)	-		-	-	-	-
General welfare (individual)	-	10,000	(10,000)	-		52,295	30,212	(82,507)	-
General welfare (mobility aid)	-	7,500	(7,500)	-		-	-	-	-
General welfare – Devon, Cornwall and Somerset	-	300	-	300		500	-	(500)	-
Lowe Trust	572,209	-	-	572,209		572,209	-	-	572,209
Restricted to air crew	-	-	-	-		75,000	-	(75,000)	-
Restricted to Isle of Wight	-	5,000	(5,000)	-		-	-	-	-
Restricted to Scotland	-	74,500	(9,470)	65,030		-	-	-	-
Restricted to Suffolk	-	-	-	-		60	-	(60)	-
Restricted to Tyne and Wear	-	10,000	(10,000)	-		-	-	-	-
Restricted to Yorkshire	-	-	-	-		1,000	-	(1,000)	-
Royal Observer Corps	-	100,000	(41,360)	58,640		-	-	-	-
Stafford Trust	-	15,120	-	15,120		-	-	-	-
Home adaptations in Cheshire	-	-	-	-		1,000	-	(1,000)	-
Scotland veterans over 65	-	25,000	(25,000)	-		-	-	-	-
	1,810,316	333,348	(439,681)	1,703,983		2,067,281	198,539	(455,504)	1,810,316
Respite care – LIBOR Funds (reclassification agreed)									
Respite care lunch clubs	71,838	-	(71,838)	-		200,000	-	(200,000)	-
Respite care property	441,317	-	(305,884)	135,433		700,000	-	(10,981)	689,019
Additional respite north of England	-	-	-	-		417,625	-	(33,284)	384,341
Respite breaks and care hotels	316,550	-	(36,226)	280,324		247,001	-	-	247,001
Day respite breaks	-	-	-	-		250,000	-	(7,315)	242,685
Contribution to community engagement workers	591,240	-	(159,393)	431,847		-	-	-	-
Management support	142,101	-	(56,417)	85,684		63,000	-	(63,000)	-
	1,563,046	-	(629,758)	933,288		1,877,626	-	(314,580)	1,563,046
RAF100 Appeal – 20% share in joint venture	114,758	-	(114,758)	-		592,313	(477,555)	-	114,758
Total restricted funds	7,078,418	1,087,000	(2,435,315)	5,730,103		7,911,978	692,551	(1,526,111)	7,078,418

25 ENDOWMENT FUNDS

The purpose of funds exceeding £100K is set out under Note 22.

	As at 1 January 2020	Unrealised gain	As at 31 December 2020	As at 1 January 2019	Unrealised gain	As at 31 December 2019
	£	£	£	£	£	£
Permanent endowment funds with unrestricted income						
Pilot Officer J P L Branson Memorial Fund	49,117	2,377	51,494	43,067	6,050	49,117
Pilot Officer James Erskine Cuning Memorial Fund	46,224	2,237	48,461	40,531	5,693	46,224
Flying Officer L S Delaney Trust	13,426	650	14,076	11,772	1,654	13,426
Paddy Finucane Memorial Fund	20,004	968	20,972	17,540	2,464	20,004
Louise Alice Kay Memorial Fund	41,324	2,000	43,324	36,234	5,090	41,324
Mosquito Memorial Fund	11,612	562	12,174	10,182	1,430	11,612
Flying Officer Douglas Frank Newsham Memorial Fund	36,894	1,786	38,680	32,350	4,544	36,894
Viscount Nuffield Endowment	1,068,063	51,696	1,119,759	936,510	131,553	1,068,063
Helen Mary Renton Fund	43,597	2,110	45,707	38,227	5,370	43,597
RAF Rugby Union Fund	51,271	2,482	53,753	44,956	6,315	51,271
Peter Henry Slater-Eiggert Memorial Fund	147,119	7,121	154,240	128,998	18,121	147,119
The Revd. James Edmund Strickland Memorial Fund	105,969	5,129	111,098	92,917	13,052	105,969
	1,634,620	79,118	1,713,738	1,433,284	201,336	1,634,620
Expendable endowment funds with unrestricted income						
Flying Officer William Dron Memorial Fund	2,478	120	2,598	2,173	305	2,478
Frederick Eley Fund	4,775	231	5,006	4,187	588	4,775
Wing Commander J Higginson Fund	9,752	472	10,224	8,551	1,201	9,752
Peter Grattan Holt Memorial Fund	50,822	2,460	53,282	44,563	6,259	50,822
E H Jubb Fund	338,499	16,384	354,883	296,806	41,693	338,499
Middle East Relief Fund	43,231	2,092	45,323	37,906	5,325	43,231
Morley Fund	7,086	343	7,429	6,213	873	7,086
Orlebar Memorial Fund	8,019	388	8,407	7,031	988	8,019
Shattock Memorial Scholarship Fund	12,041	583	12,624	10,558	1,483	12,041
Wooding Memorial Fund	8,590	416	9,006	7,532	1,058	8,590
	485,293	23,489	508,782	425,520	59,773	485,293
Permanent endowment funds where the use of the income is restricted						
Newton Driver Memorial Fund	2,168,682	104,968	2,273,650	1,901,566	267,116	2,168,682
Group Captain W E Purdin Memorial Fund	2,769	134	2,903	2,428	341	2,769
RAFBF Educational Endowment Fund	549,177	26,581	575,758	481,535	67,642	549,177
Douglas Turner Benefaction	130,723	6,327	137,050	114,622	16,101	130,723
	2,851,351	138,010	2,989,361	2,500,151	351,200	2,851,351
Expendable endowment funds where the use of the income is restricted						
Mrs H M Jereham Memorial Fund	30,128	1,458	31,586	26,417	3,711	30,128
Hector Pilling Memorial Fund	638,356	30,898	669,254	559,730	78,626	638,356
RAF Prize Trust	243,951	11,808	255,759	213,904	30,047	243,951
RAFBF Educational Expendable Fund	144,108	6,975	151,083	126,358	17,750	144,108
	1,056,543	51,139	1,107,682	926,409	130,134	1,056,543
Total endowment funds	6,027,807	291,756	6,319,563	5,285,364	742,443	6,027,807

26 SUBSIDIARY ENTITIES

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

	RAFBF Trading Ltd		RAF Dependants Fund		RAF Dependants Income Trust Ltd		RAFBF Housing Trust Ltd		RAF Disabled Holiday Trust		Subsidiary entities	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:												
Donations	-	-	-	-	-	-	8	286	10	9	18	295
Investments	-	-	209	204	-	-	-	-	-	-	209	204
Other trading activities	108	78	-	-	-	-	-	-	-	-	108	78
Charitable activities	-	-	-	-	-	-	974	988	-	-	974	988
Profit on sale of properties	-	-	-	-	-	-	876	1,511	-	-	876	1,511
Subscriptions	-	-	182	184	31	31	-	-	-	-	213	215
	108	78	391	388	31	31	1,858	2,785	10	9	2,398	3,291
Expenditure on:												
Charitable activities	58	35	263	333	-	-	1,770	1,680	2	3	2,093	2,051
Other trading activities	41	35	-	-	-	-	-	-	-	-	41	35
Management and administration	9	8	29	26	31	31	-	-	-	-	69	65
	108	78	292	359	31	31	1,770	1,680	2	3	2,203	2,151
Net gains/(loss) on investment assets	-	-	406	929	-	-	-	-	(25)	(3)	381	926
Net result of subsidiary	-	-	505	958	-	-	88	1,105	(17)	3	576	2,066

RAFBF Trading Limited

Company number 07768120

A company set up for the RAF Benevolent Fund to conduct trading in support of its charitable objectives. The company donated £58,468 to the Fund in 2020 (2019: £37,553). The inter-company balance owed to the Fund at year end was £66,409 (2019: £131,560). The net assets at year end were £1 (2019: £1).

RAF Dependants Fund

Charity number 253492

A charity with the RAF Benevolent Fund as custodian Trustee. Set up to promote the efficiency of the RAF through relieving dependants of deceased serving personnel from financial distress. There were 15 deaths in 2020 (2019: 19) and the dependants were paid £17,500 in each case. The inter-company balance owed to the Charity at year end was £3,042 (2019: £50,817). The net assets at year end were £7,017,317 (2019: £6,511,757).

RAF Dependants Income Trust Limited

Company number 01285364

A company set up for RAF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were 10 member deaths in 2020 (2019: 11) and beneficiaries received payments made on behalf of the Trust by the underwriters Aviva. The company donated £nil to the Charity in 2020 (2019: £nil). The inter-company balance owed to the Charity at year end was £3,595 (2019: £29,550). The net assets at year end were £3,339 (2019: £3,339).

RAF Benevolent Fund Housing Trust Limited

Company number 1058896
Charity number 264636
Scottish registered number SCO38218

A wholly-owned subsidiary of the RAF Benevolent Fund. Its sole activity is to hold and operate properties of beneficiaries of the RAF Benevolent Fund. The inter-company balance owed to the Fund at year end was £11,159,566 (2019: £12,105,033). The net assets at year end were £13,160,876 (2019: £12,596,281).

RAF Disabled Holiday Trust

Charity number 286019

A wholly-owned subsidiary of the RAF Benevolent Fund. Its sole activity is to provide holidays to disabled serving and former members of the RAF and their dependants. The Trust purchases holiday bonds which entitles it to book holidays in the UK and Europe for its beneficiaries. The inter-company balance owed to the RAF Benevolent Fund at year end was £2,629 (2019: £2,696 owed by the Fund). The net assets at year end were £554,312 (2019: £571,405). RAF Benevolent Fund Gift in Kind amounted to £nil (2019: £nil).

SUBSIDIARY ORGANISATIONS

RAF BENEVOLENT FUND HOUSING TRUST LIMITED

Companies House: 01058896
Charity Commission: 264636
OSCR: SC038218
Directors/Trustees:
Air Vice-Marshal David Murray (Chair)
(until 20 April 2020)
Air Vice-Marshal Chris Elliot (Chair)
(from 20 April 2020)
Al Bennett (until 27 May 2021)
Wing Commander Sarah Davis
(from 1 June 2020)
Air Vice-Marshal Simon Dougherty
(until 11 May 2020)
Victoria Fakehinde
Air Commodore Paul Hughesdon
Emrys Rogers (from 3 August 2020)

RAFBF TRADING LIMITED

Companies House: 07768120
Directors:
Air Vice-Marshal David Murray (Chair)
(until 20 April 2020)
Air Vice-Marshal Chris Elliot (Chair)
(from 20 April 2020)
Graeme Craig
James Dooley
Victoria Fakehinde
Graeme Shankland
John Trampleasure (until 4 May 2020)
Mike Straney (from 4 May 2020 until 30 April 2021)

RAF DISABLED HOLIDAY TRUST

Charity Commission: 286019
Trustee:
Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

RAF DEPENDANTS INCOME TRUST LIMITED

Companies House: 01285364
Directors:
Air Vice-Marshal David Murray (Chair)
(until 20 April 2020)
Air Vice-Marshal Chris Elliot (Chair)
(from 20 April 2020)
Group Captain Jacqueline East
(until 11 May 2021)
Group Captain Colin Owen
(from 11 May 2021)
Frances Brindle
Graeme Shankland
Victoria Fakehinde
Air Commodore Paul Hughesdon

RAF DEPENDANTS FUND

Charity Commission: 253492
Trustee:
Royal Air Force Benevolent Fund
(Reg Charity: 1081009)
Management Committee members:
Air Vice-Marshal David Murray (Chair)
(until 20 April 2020)
Air Vice-Marshal Chris Elliot (Chair)
(from 20 April 2020)
Group Captain Jacqueline East
(until 11 May 2021)
Group Captain Colin Owen
(from 11 May 2021)
Frances Brindle
Graeme Shankland
Victoria Fakehinde
Air Commodore Paul Hughesdon
Scheme Manager:
Andy Cairns

RAF BENEVOLENT FUND TRUSTEES LIMITED

Companies House: 00945083
Directors:
Air Vice-Marshal David Murray (Chair)
(until 20 April 2020)
Air Vice-Marshal Chris Elliot (Chair)
(from 20 April 2020)
Air Vice-Marshal Simon Dougherty
(until 11 May 2020)
Wing Commander Sarah Davis
(from 1 June 2020)
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Air Commodore Paul Hughesdon
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