

THE ROYAL AIR FORCE DEPENDANTS FUND

England & Wales · Charity number 253492

Details

Other names	ROYAL AIR FORCE DEPENDANTS FUND
Status	Registered
Legal form	Other
Registered	1967-09-11
Register	View on the Charity Commission register

Contact

Address Royal Air Force Benevolent Fund
67 Portland Place
London
W1B 1AR

Phone 020 7307 3318

Email lisa.harmshaw@rafbf.org.uk

Website www.rafbf.org

Activities

Objects: (1) THE OBJECT OF THE CHARITY IS THE PROMOTION OF THE EFFICIENCY OF THE ROYAL AIR FORCE THROUGH THE RELIEF OF DEPENDANTS OF DECEASED SERVING PERSONNEL IN THE FOLLOWING ORDER OF PRIORITY: (A) THE DEPENDANTS OF DECEASED SUBSCRIBERS; (B) THE DEPENDANTS OF DECEASED SERVING PERSONNEL.(2) THE TRUSTEE MAY ASSIST DEPENDANTS BY: (A) THE PROVISION OF IMMEDIATE GRANTS; AND (B) THE RELIEF OF DEPENDANTS WHO ARE IN NEED BY VIRTUE OF FINANCIAL HARDSHIP, SICKNESS, DISABILITY OR THE EFFECTS OF OLD AGE THROUGH THE PROVISION OF DISCRETIONARY GRANTS, LOANS, GIFTS, PENSIONS OR OTHERWISE.

Activities: The charity relieves immediate financial distress when a member, who must be Serving in the RAF, dies from whatever cause, by making grants to their nominated beneficiary.

Classification

- **How:** Makes Grants To Individuals
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Other Defined Groups

Geography

- Abu Dhabi
- Afghanistan
- Ajman
- Akrotiri
- Aland Islands
- Albania
- Algeria
- American Samoa
- Andorra
- Angola
- Anguilla
- Antarctica
- Antigua And Barbuda
- Argentina
- Armenia
- Aruba
- Ascension
- Australia
- Austria
- Azerbaijan
- Bahrain
- Baker Island
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire
- Bosnia And Herzegovina
- Botswana

- Bouvet Island
- Brazil
- British Antarctic Territory
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burma
- Burundi
- Cambodia
- Cameroon
- Canada
- Cape Verde
- Cayman Islands
- Central African Republic
- Ceuta
- Chad
- Chile
- China
- Christmas Island
- Cocos (KEELING) ISLANDS
- Colombia
- Comoros
- Congo
- Congo (Democratic Republic)
- Cook Islands
- Costa Rica
- Croatia
- Cuba
- Cyprus
- Czech Republic
- Denmark
- Dhekelia
- Djibouti

- Dominica
- Dominican Republic
- Dubai
- East Timor
- Easter Island
- Ecuador
- Egypt
- El Salvador
- Equatorial Guinea
- Eritrea
- Estonia
- Eswatini
- Ethiopia
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- France
- French Guiana
- French Polynesia
- French Southern Territories
- Fujairah
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea

- Guinea-bissau
- Guyana
- Haiti
- Heard Island And Mcdonald Islands
- Honduras
- Hong Kong
- Howland Island
- Hungary
- Iceland
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Isle Of Man
- Israel
- Italy
- Ivory Coast
- Jamaica
- Japan
- Jarvis Island
- Jersey
- Johnston Atoll
- Jordan
- Kazakhstan
- Kenya
- Kingman Reef
- Kiribati
- Kosovo
- Kuwait
- Kyrgyzstan
- Laos
- Latvia
- Lebanon
- Lesotho

- Liberia
- Libya
- Liechtenstein
- Lithuania
- Luxembourg
- Macau
- Macedonia
- Madagascar
- Malawi
- Malaysia
- Maldives
- Mali
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Melilla
- Mexico
- Micronesia
- Midway Islands
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Namibia
- Nauru
- Navassa Island
- Nepal
- Netherlands
- New Caledonia

- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- North Korea
- Northern Ireland
- Northern Mariana Islands
- Norway
- Occupied Palestinian Territories
- Oman
- Pakistan
- Palau
- Palmyra Atoll
- Panama
- Papua New Guinea
- Paraguay
- Peru
- Philippines
- Pitcairn, Henderson, Ducie And Oeno Islands
- Poland
- Portugal
- Puerto Rico
- Qatar
- Ras Al-khaimah
- Romania
- Russia
- Rwanda
- Réunion
- Saba
- Saint Barthélemy
- Saint Helena
- Saint Pierre And Miquelon
- Saint Vincent

- Saint-Martin
- Samoa
- San Marino
- Saudi Arabia
- Scotland
- Senegal
- Serbia
- Seychelles
- Sierra Leone
- Singapore
- Sint Eustatius
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia And South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- St Kitts And Nevis
- St Lucia
- Sudan
- Suriname
- Svalbard And Jan Mayen
- Sweden
- Switzerland
- Syria
- São Tomé And Príncipe
- Taiwan
- Tajikistan
- Tanzania
- Thailand

- The Bahamas
- The Gambia
- Togo
- Tokelau
- Tonga
- Trinidad And Tobago
- Tristan Da Cunha
- Tunisia
- Turkey
- Turkmenistan
- Turks And Caicos Islands
- Tuvalu
- Uganda
- Ukraine
- Umm Al-quwain
- United Arab Emirates
- United States
- United States Virgin Islands
- Uruguay
- Uzbekistan
- Vanuatu
- Vatican City
- Venezuela
- Vietnam
- Wake Island
- Wallis And Futuna
- Western Sahara
- Yemen
- Zambia
- Zimbabwe
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£405,908	£413,853	-	-
2023-12-31	£409,066	£434,504	-	-
2022-12-31	£409,412	£401,846	-	-
2021-12-31	£439,509	£308,574	-	-
2020-12-31	£391,301	£291,721	-	-

Trustees

Name	Role	Appointed
THE ROYAL AIR FORCE BENEVOLENT FUND		

THE ROYAL AIR FORCE DEPENDANTS FUND

England & Wales - Charity number 253492

Accounts



THE ROYAL AIR FORCE DEPENDANTS FUND (charity no. 253492)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2024

OFFICE HOLDERS AND PROFESSIONAL ADVISERS

Trustee: The Royal Air Force Benevolent Fund

Trustees of the Royal Air Force Benevolent Fund

Richard Daniel BSc (Hons) FRAeS

Alastair Irvine BA (Hons) MCSI

Wing Commander Sophie Joanne Allen MBChB MRCPG DRCOG DFRSH DOccMed DAvMed
PGCME

Allyson Arnold MSc BScN (Hons)

Patrick Aylmer FCA

Alison Benjamin BA (Hons)

Graeme Craig MA (resigned 31 December 2024)

Richard Cryer MA (Cantab) FCA

Wing Commander Sarah Davis MBA MSc FCIPD

Wing Commander Clive Martland MBE

Lady Mayhew BA (Hons)

Alan Porter LL.M (appointed 1 November 2024)

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

Peggy Walters MA (resigned 18 May 2024)

Management Committee Members

Air Vice-Marshal Chris Elliot CB CBE MA BSc DL (Chair)

Victoria Akinboro BSc (Hons) ACMA CGMA

Richard Cryer MA (Cantab)

Air Commodore Simon Harper OBE

Wing Commander Clive Martland MBE

Group Captain Dawn Murty (resigned 14 May 2025)

Group Captain Tracey Bottrill (appointed 14 May 2025)

RAF Subscriptions Manager: David Pinner (until 11 November 2024) Andy Cairns (from 11 November 2024)

Principal Office: 67 Portland Place, London, W1B 1AR

Independent Auditors: Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW

Bankers: Barclays Bank Plc, 1 Churchill Place, London E14 5HP

Investment Managers: CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustee presents its annual report and financial statements of The Royal Air Force Dependants Fund ("the Charity") for the year ended 31 December 2024. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Scheme, the Charities Act 2011, Charities Act 2022 and the Charities SORP (FRS102).

Structure, governance and management

The Charity is unincorporated and registered with the Charity Commission (no. 253492). It was originally established under a trust deed dated 1 February 1967 which was subsequently amended in December 1972. In October 2009 the Charity Commission approved a scheme to govern the Charity. The scheme amended the Charity's objects, discharged the custodian trustee and appointed the Royal Air Force Benevolent Fund ("the Fund") as Trustee.

The Fund is also a charity registered in England and Wales (no. 1081009) and incorporated by Royal Charter (RC000773). The consolidated financial statements for the year ended 31 December 2024 are available from the Royal Air Force Benevolent Fund, 67 Portland Place, London, W1B 1AR and www.rafbf.org.

The object for which the Charity is established is set out in the Scheme as being the promotion of the efficiency of the Royal Air Force through the relief of dependants of deceased serving personnel in the following order of priority the dependants of deceased subscribers and the dependants of deceased serving personnel.

The Trustee may assist dependants by the provision of immediate grants and the relief of dependants who are in need by virtue of financial hardship, sickness, disability or the effects of old age through the provision of discretionary grants, loans, gifts, pensions or otherwise. In practice, only discretionary death grants are made by the Charity.

As per the Scheme, the Trustee has appointed a Management Committee which oversees the day-to-day management and administration of the Charity, makes recommendations to the Fund (in its capacity as the sole Trustee) regarding any issues relating to the Charity and undertakes such other responsibilities and activities which have been delegated to it by the Fund.

Under its terms of reference, the Management Committee consists of up to six members appointed by the Fund. At least two members of the Management Committee are Trustees of the Fund and one member shall be a serving member of the Royal Air Force, appointed by the Deputy Chief of the Air Staff.

The Fund has also appointed the following members of its Executive Leadership Team as members of the Management Committee to hold office until such time as they leave office:

- Chief Executive (formerly known as the Controller)
- Director of Operations; and
- Director of Resources.

The Management Committee meets at least once a year to decide the Charity's strategy, policies, agree the maximum amount of the death grant, review the risks facing the Charity and review the

performance of the Charity's professional advisers. The day-to-day administration of the Fund is delegated to a member of staff, the RAF Subscriptions Manager, who operates from office accommodation provided by the Royal Air Force. The Subscriptions Manager gives presentations about the benefits that the Fund offers to new recruits at RAF College Cranwell, RRC Crickhowell and RAF Halton. Financial, governance and other support are provided by staff of the Fund for which the Charity is charged an annual administration fee.

Risk management

The Fund, in its capacity as the sole Trustee of the Charity, has overall responsibility for managing any risks faced by the Fund and any of its subsidiary entities. The identification of major risks associated with the operation of the Charity is carried out as part of the risk management process of the parent charity. The main risk identified is that of the Dependants Fund having insufficient assets to meet the expected level of death grants in the event of an incident resulting in major loss of life. The Committee manages this risk in two ways. Firstly, it has insurance to cover the deaths of more than 15 and up to and including 250 members dying in a single incident which is valid up to 3 March 2026. Secondly, the Charity aims to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 12 months in line with the previous year.

Objectives and activities for the public benefit

The Fund was established in 1967 to relieve immediate financial distress in the event of the death of a subscriber, from whatever cause, by giving a tax-free death in service grant, payable, at the discretion of the Trustee, to a beneficiary nominated by the subscriber. Since the Fund was established, up to and including 31 December 2024, 3,375 death grants have been made including 18 in the year ended December 2024.

The Charity is popular with service personnel due to its simplicity of design, worldwide cover without restriction on cause of death, and the timely payment to beneficiaries of a tax-free lump sum when it is most needed.

The Management Committee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and policies.

At 31 December 2024 there were 26,430 subscribers to the Fund, some 87% of RAF personnel, compared with 27,342 (87%) at 31 December 2023. 18 subscribers died during the year, one less than in 2023 and an annual average in the period 2005 to 2023 of 19 each year. Natural causes accounted for 12 deaths, 3 in road traffic accidents, 2 died by suspected suicide and one in a flying accident. Of those who died, 3 were under the age of 30, 2 were aged between 30 and 40, and 13 were aged over 40.

The Charity paid £360,000 in death grants to 19 beneficiaries (one of the deceased had two beneficiaries who received 50% each in keeping with the Charity's object of relieving immediate financial distress, all payments were made within 48 hours of the notification of the death, or as close to this as possible.

Financial review

The Charity's work is reliant on income from subscribers and returns on its investments. Income from subscriptions in 2024 amounted to £163,841 (2023: £171,300). These subscriptions are deducted from the gross pay of subscribers under the Give As You Earn Scheme. Investment Income including bank interest amounted to £242,067 (2023: £237,765). Total resources expended amounted to £416,553 (2023: £434,504) of which £360,000 (2023: £380,000) was for death grants. The unrealised net gains on investment assets was £167,727 (2023: £634,431 unrealised gain). The fund balance increased from £7,829,762 at 31 December 2023 to £7,989,544 at 31 December 2024, after deducting the operating deficit, due to gains on investments.

The subscription has been 50p per month since May 2009 and the maximum death grant payable has remained £20,000 since May 2022.

Investment policy and performance

The Fund's investment policy is the same as that of the parent charity, RAFBF, and aims to generate income distributions and capital growth whilst being consistent with the Fund's charitable purposes. It seeks to obtain the best financial return that can be achieved within the level of risk acceptable to the Trustee. The Trustee has a medium appetite for risks relating to its long-term investments and the main objectives of the policy are to:

- a. adopt a "total return" approach to investments so that both income and capital gains can be spent on the activities of the charity;
- b. hold investments in a manner that will assist the Fund in delivering its objectives in the short, medium and long term.
- c. grow the capital value of long term investments in line with inflation at a minimum, with a CPI related benchmark as well as generate a level of income that will be applied to the operations of the Fund.
- d. tolerate reasonable short-term losses in the portfolio's value as a trade-off for maximising the possibility of longer-term preservation and growth;
- e. 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 and as a guide to Investment manager's performance;
- f. 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;
- g. give investment managers powers to make investment decisions on behalf of the Fund within agreed parameters that are in line with RAFBF's Investment policy;
- h. avoid investments that conflict with the Fund's purposes and those that can harm its reputation among the RAF Family or supporters.

Invested assets with a market value of £7.6M at 31 December 2024 are managed by CCLA in the COIF Charities Investment Fund. COIF is an actively managed, diversified multi-asset fund which has an

emphasis on equities but also invests in other asset classes. Over 71% of the assets at the end of 2024 were invested in equities (over 63% was in global equities).

The fund aims to provide a total return (growth in capital and income) over the long term of UK CPI + 5% per annum, before costs and charges.

£227,720 (2023: £221,215) income was earned on this investment, a 3.1% yield (2023: 2.8%)

Market gains in the year came to £167,727 (2023: £634,431 gain).

Total performance for COIF, by year for three years is shown in the table below:

12 months to 31 December	2024	2023	2022
COIF	+5.1%	+12.4%	-9.0%
Comparator	+15.3%	+13.3%	-10.1%

The annual return over the five years to 31 December 2024 was 6.7% (comparator 7.4%).

Market value in 2024 increased by £167,727 (2023: £634,431 unreleased gain).

Reserves policy

The Management Committee has reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. Accidental death insurance was in place to cover the deaths of more than 15 and up to 250 members dying in a single incident but this excludes acts of terrorism or warfare. The Management Committee however, recognises that an incident resulting in a major loss of life could occur as a result of terrorism or warfare, and therefore believes that it is prudent to have sufficient reserves to cover this. The Reserves policy is to hold sufficient funds to pay death grants to approximately 300 families and cover the Charity's running costs for 12 months. At the end of 2024 this is equated to £6,057,000. Total reserves held were £7,989,544.

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration of the current and projected financial position of the Charity, the accidental death insurance cover, the discretionary nature of the grants and the external economic environment. The conclusion of the Trustee is that there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Plans for the future

The Management Committee plans to continue to make death grants to beneficiaries, usually within 48 hours of being notified that a subscriber has died.

Statement of Trustee Responsibilities

The Trustee is responsible for preparing the Trustee 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 Trustee to prepare financial statements which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustee is required to:

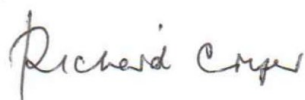
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of its trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustee has 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.

By order of the sole Trustee, the Royal Air Force Benevolent Fund, on 24 June 2025



Date: 24 June 2025

Richard Cryer

Member of the Management Committee and Trustee of the Royal Air Force Benevolent Fund

Independent Auditor's Report to the Trustees of The Royal Air Force Dependants Fund

Opinion

We have audited the financial statements of The Royal Air Force Dependants Fund for the year ended 31 December 2024 which comprise Statement of Financial Activities, Balance Sheet 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 charity's affairs as at 31 December 2024 and of its 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.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 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 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 6, 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 145 of the Charities Act 2011 and report in accordance with the Act 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

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 charity 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 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 charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were; General Data Protection Regulation (GDPR) and Taxation legislation.

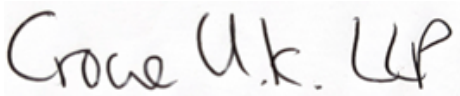
Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to the override of controls by management. Our audit procedures to respond to these risks included enquiries of management 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 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

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Crowe U.K. LLP". The signature is written in a cursive, slightly slanted style.

Crowe U.K. LLP

Statutory Auditor

London

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.

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2024

		2024	2023
		£	£
Income from:	Note		
Subscriptions		163,841	171,300
Investments:			
Invested funds		227,720	221,215
Bank deposits		14,347	16,551
Total income		405,908	409,066
Expenditure on:			
Expenditure on charitable activity	2	(413,853)	(434,504)
Net operating (deficit)		(7,945)	(25,438)
Net gains on investment assets	3	167,727	634,431
Net income and net movement in funds		159,782	608,993
Fund balance brought forward		7,829,762	7,220,769
Fund balance carried forward		7,989,544	7,829,762

All funds are unrestricted funds and reported as funds designated to the Charity in the group accounts.

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

The notes on pages 13 to 17 form part of these financial statements.

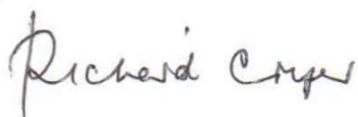
BALANCE SHEET

As at 31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	3	7,592,554	7,424,827
Current assets			
Debtors	4	67,140	66,329
Bank balances and cash		411,503	386,442
		<u>478,643</u>	<u>452,771</u>
Creditors: amounts falling due within one year	5	<u>(81,653)</u>	<u>(47,836)</u>
Net current assets		<u>396,990</u>	<u>404,935</u>
Net assets		<u>7,989,544</u>	<u>7,829,762</u>
Funds of the charity:			
Unrestricted income fund		<u>7,989,544</u>	<u>7,829,762</u>

The notes on pages 13 to 17 form part of these financial statements.

Approved by the Trustee on 24 June 2025 and signed on its behalf by



Date: 24 June 2025

Richard Cryer

Member of the Management Committee and Trustee of the Royal Air Force Benevolent Fund

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. Principal accounting policies

Basis of preparation

The 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 SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

Accounting convention

These financial statements are 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 (FRS102).

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) and the Charities Act 2011.

Going concern

The Trustee has assessed whether the use of the going concern basis is appropriate. The Trustee has concluded that there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Subscription income

Subscription income is accounted for in the period in which it is receivable.

Investment income

Investment income is accounted for an accrual basis.

Resources expended

All expenditure is recognised in the period in which it is incurred. Resources expended include attributable VAT which cannot be recovered.

Payments to dependants are included in the financial statements based on claims notified to the Fund during the accounting period.

Governance costs

Governance costs are those incurred in connection with the constitutional and statutory requirements of the Fund and include the cost of external audit and other constitutional related matters.

Support costs

Support costs have been allocated between charitable activity and governance costs on the basis that the individual costs support the work carried out for the core purpose of the Fund.

Investments

Investments are stated at market value as at the balance sheet date and the gain or loss taken to the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

Employee benefits

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

Pensions

Staff are enrolled in the RAF Benevolent Fund's Group Personal Pension Plan scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. Expenditure on charitable activity

	2024	2023
	£	£
Death payments	360,000	380,000
Staff costs	29,358	37,241
Support costs:		
Administrative expenses	8,400	8,096
Other expenses	11,656	3,252
Governance – statutory audit fee	4,439	5,915
	<u>413,853</u>	<u>434,504</u>

Staff costs and other expenses are payable to RAF Benevolent Fund.

Staff costs include:

	2024	2023
	£	£
Wages and salaries	24,982	30,882
Pension costs	1,979	3,320
Social security	2,397	3,039
	<u>29,358</u>	<u>37,241</u>

Key management personnel deemed to be the members of the Management Committee and none of whom received or waived any emoluments or expenses during the period (2023: nil).

The sole Trustee, the RAF Benevolent Fund neither received nor waived any emoluments during the period (2023: nil).

The staff costs are for two people (2023: two) employed by the RAFBF and represents amounts recharged based on their time spent on the Fund’s operational activity.

Administrative expenses are all insurance costs in 2024 (2023: £8,050)

3. Fixed asset investments

Movements in investments during the period:	2024	2023
	£	£
Market value at beginning of period	7,424,827	6,790,396
Net gains on revaluation	167,727	634,431
Market value at end of year	<u>7,592,554</u>	<u>7,424,827</u>
Analysis of investment:		
Market value		
CCLA - COIF Charities Investment Fund	<u>7,592,554</u>	<u>7,424,827</u>

The historical cost of investments held is £5,190,081 (2023: £5,190,081).

4. Debtors

	2024	2023
	£	£
Members' subscriptions receivable	14,573	15,035
Investment dividend receivable	52,567	51,294
	<u>67,140</u>	<u>66,329</u>

5. Creditors

	2024	2023
	£	£
Audit fee accrual	4,500	5,880
Death grant accrued	-	20,000
Due to The Royal Air Force Benevolent Fund	77,153	21,956
Other	-	-
	<u>81,653</u>	<u>47,836</u>

6. Parent undertaking

The ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter (RC000773) and a charity registered in England and Wales (1081009). Copies of its group financial statements, which include the Charity, are available from 67 Portland Place, London, W1B 1AR or via its website rafbf.org

7. Related party transactions

During the year the Charity's parent recharged staff costs as set out in note 2. The balance due to the parent is shown in note 5. During the year there were no other related party transactions as the charity is a subsidiary of a group and included in the group's consolidated financial statements which are intended to give a true and fair view it does not need to produce a separate cash flow statement as the consolidated statements provide this information.

THE ROYAL AIR FORCE DEPENDANTS FUND

England & Wales - Charity number 253492

Accounts



**Royal Air Force
Benevolent Fund**

THE ROYAL AIR FORCE DEPENDANTS FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended December 2023

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

OFFICE HOLDERS AND PROFESSIONAL ADVISERS

Trustee: The Royal Air Force Benevolent Fund

Trustees of the Royal Air Force Benevolent Fund

Alastair Irvine BA (Hons) MCSI

Alison Benjamin BA (Hons)

Graeme Craig MA

Lady Mayhew BA (Hons)

Allyson Arnold MSc BScN (Hons)

Patrick Aylmer FCA

Peggy Walters (Resigned 18 May 2024)

Rachel Prendergast

Richard Cryer MA (Cantab) FCA

Richard Daniel BSc (Hons) FRAeS

Squadron Leader Clive Martland MBE

Wing Commander Sarah Davis MBA MSc FCIPD

Wing Commander Sophie Joanne Allen MBChB MRCPG DRCOG DFSRH DOccMed DAvMed PGCME

Management Committee Members

Air Vice-Marshal Chris Elliot CB CBE MA BSc DL (Chair)

Air Commodore Simon Harper OBE

Group Captain Dawn Murty

Richard Cryer MA (Cantab)

FCA Squadron Leader Clive Martland MBE

Victoria Akinboro BSc (Hons) ACMA CGMA

Company Secretary Victoria Akinboro BSc (Hons) ACMA CGMA

RAF Dependants Fund Manager: Andy Cairns (until 19 April 2023) David Pinner (from 19 April 2023)

Principal Office: 67 Portland Place, London, W1B 1AR

Charity Number: 253492

Independent Auditors: Saffery LLP, 71 Queen Victoria Street, London EC4V 4BE

Bankers: Barclays Bank Plc, 1 Churchill Place, London E14 5HP

Solicitors: Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD

Investment Managers: CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

The Royal Air Force Dependants Fund Report and Financial Statements

31 December 2023

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustee presents its annual report and financial statements of the Charity for the year ended 31 December 2023. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Scheme, the Charities Act 2011, Charities Act 2022 and the Charities SORP (FRS102).

Structure, governance and management

The Royal Air Force Benevolent Fund, a charity registered in England and Wales, charity number 1081009, is the sole trustee of the Royal Air Force Dependants Fund. The consolidated financial statements for the year ended 31 December 2023 are available from the Royal Air Force Benevolent Fund, 67 Portland Place, London, W1B 1AR and www.rafbf.org.

The Royal Air Force Dependants Fund is an unincorporated, registered charity, number 253492. It was originally established under a trust deed dated 1 February 1967 which was subsequently amended in December 1972. In October 2009 the Charity Commission approved a scheme to govern the Charity. The scheme amended the Charity's objects, discharged the custodian trustee and appointed the Royal Air Force Benevolent Fund (RAFBF) as Trustee.

The object for which the Charity is established is such charitable purposes as the Trustee of Royal Air Force Dependants Fund shall think fit including but not limited to:

- Promotion of recruitment to, and the morale and efficiency of Royal Air Force by any means but principally (though not exclusively) by providing a sum of money or other assistance to provide immediate support to family member(s) or dependant(s) of beneficiaries;
- The relief in need, hardship or distress of beneficiaries and their families and dependants.

Although the Trustee may assist dependants who are in need by virtue of financial hardship, sickness, disability or the effects of old age through the provision of discretionary grants, loans, gifts, pensions or otherwise, in practice, only death grants are made by the Charity.

The Trustee has appointed a Management Committee to which it has delegated the power to undertake the following functions:

- Oversee the day to day management and administration of the Fund.
- Make recommendations to the RAFBF in full regarding any issues relating to the management and administration of the Fund.
- Such other responsibilities and activities in full as the RAFBF may from time to time decide.

Under its terms of reference, the Management Committee consists of at least three but no more than six members appointed by the Board of Trustees of the Royal Air Force Benevolent Fund ('the Fund'), who is the sole trustee. At least two members of the Management Committee shall be members of the Board of Trustees of the Fund. In addition, at least one member of the Management Committee shall be a serving member of the Royal Air Force, appointed by the Deputy Chief of the Air Staff. The serving member shall

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

normally be the person appointed as the Deputy Assistant Chief of Staff Community Support (DACOS CS). The serving member holds office until such time they resign from this position or until such time as they are replaced as DACOS CS.

The trustees of the RAFBF have appointed the following office holders as members of the Management Committee to hold office until such time as they leave office:

- Controller, Royal Air Force Benevolent Fund
- Director of Grants, Services and Programmes, Royal Air Force Benevolent Fund; and
- Director of Resources, Royal Air Force Benevolent Fund.

The Management Committee meets once a year to decide the Charity's strategy, policies, set the level of the subscription, agree the maximum amount of the death grant, review the risks facing the Charity and review the performance of the Charity's professional advisers. The day-to-day administration of the Fund is delegated to a member of staff, the RAF Subscriptions Manager, who operates from office accommodation provided by the Royal Air Force. The Subscriptions Manager gives presentations about the benefits that the Fund offers to new recruits at RAF College Cranwell and RAF Halton. Financial, governance and other support are provided by staff of the RAFBF for which the Royal Air Force Dependants Fund is charged an annual administration fee.

Risk management

The Board of Trustees of the RAFBF has overall responsibility for managing risks faced by the RAFBF and its subsidiary entities. The identification of major risks associated with the operation of the Dependants Fund is carried out as part of the risk management process of the parent charity. The main risk identified is that of the Dependants Fund having insufficient assets to meet the expected level of death grants in the event of an incident resulting in major loss of life. The Committee manages this risk in two ways. Firstly, it has accidental death insurance to cover the deaths of more than 15 and up to and including 250 members dying in a single incident which is valid up to 3 March 2026. Secondly, the Charity aims to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 12 months in line with the previous year.

Objectives and activities for the public benefit

The Fund was established in 1967 to relieve immediate financial distress in the event of the death of a subscriber, from whatever cause, by giving a tax-free death in service grant, payable, at the discretion of the Trustee, to a beneficiary nominated by the subscriber. Since the Fund was established, up to and including 31 December 2023, 3,357 death grants have been made including 19 in the year ended December 2023.

The Fund is very popular with service personnel due to its simplicity of design, worldwide cover without restriction on cause of death, and the timely payment to beneficiaries of a tax-free lump sum when it is most needed.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

The Management Committee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and policies.

At 31 December 2023 there were 27,342 subscribers to the Fund, some 87% of RAF personnel, compared with 28,876 (88%) at 31 December 2022. 19 subscribers died during the year, the same as in 2022 and an annual average in the period 2005 to 2023 of 19 each year. Natural causes accounted for 12 deaths, 2 in road traffic accidents and 5 died by suspected suicide. Of those who died, 4 were under the age of 30, 5 were aged between 30 and 40, and 10 were aged over 40.

The Charity paid £380,000 in death grants to 19 beneficiaries. In keeping with the Charity's object of relieving immediate financial distress, all payments were made within 48 hours of the notification of the death, or as close to this as possible.

Financial review

The Charity's work is reliant on income from subscribers and returns on its investments. Income from subscriptions in 2023 amounted to £171,300 (2022: £179,362). These subscriptions are deducted from the gross pay of subscribers under the Give As You Earn Scheme. Investment Income including bank interest amounted to £237,765 (2022: £224,410). No legacy income was received in the year (2022: £5,640) this was exceptional income in 2022. Total resources expended amounted to £434,504 (2022: £401,846) of which £380,000 (2022: £360,000) was for death grants. The unrealised net gains on investment assets was £634,431 (2022: £893,261 unrealised loss). The fund balance increased from £7,220,769 at 31 December 2022 to £7,829,762 at 31 December 2023, after deducting the operating deficit, due to gains on investments.

The subscription has been 50p per month since May 2009 and the maximum death grant payable has remained £20,000 since May 2022.

Investment policy and performance

The Fund's investment policy is to enhance the value of its investments and earn an appropriate return through the adoption of a managed, diversified portfolio taking a medium level of risk. The main objectives of the policy up to 31 December 2023 are:

- To hold investments in a manner that will assist the Fund in delivering its objectives in the short, medium and long term.
- To adopt a total return investment policy with the aim of achieving gross target return of CPI plus 5% on a five-year rolling basis.
- To earn a rate of total return above inflation, so that real capital value is preserved while also generating income to be used for welfare 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 that meet the objectives of this strategy in the long term.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

Invested assets continue to be managed by CCLA in the COIF Charities Investment Fund. The total return in the year was + 12.4% (2022: -9.0%). The 2023 12.4% total return compared to a benchmark of 13.3% (2022: benchmark -10.1%). The total return over 5 years to 2023 was +9.9% compared to a benchmark return 7.7%. Over 71% of the assets were invested in global equities. Information technology was in the top five sectors invested in from which strong gains were made.

After the losses in 2022 investment market values recovered in 2023 with an unrealised gain of £634,431 (2022: £893,261 unreleased loss). Income yield was 2.75% (2022:3.00%) and distributions were maintained with £221,215 (2022: £221,064) received in the year.

Reserves policy

The Management Committee has reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. Accidental death insurance was in place to cover the deaths of more than 15 and up to 250 members dying in a single incident but this excludes acts of terrorism or warfare. The Management Committee however recognises that an incident resulting in a major loss of life could occur as the result of terrorism or warfare, and therefore believes that it is prudent to have sufficient reserves to cover this. The Reserves policy is to hold sufficient funds to pay death grants to approximately 300 families and cover the Charity's running costs for 12 months. At the end of 2023 this is equated to £6,055,000. Total reserves held were £7,829,762.

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration of the current and projected financial position of the Charity, the accidental death insurance cover and the external economic environment. The conclusion of the Trustee is that there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Plans for the future

The Management Committee plans to continue to make death grants to beneficiaries, usually within 48 hours of being notified that a subscriber has died.

Statement of Trustee Responsibilities

The Trustee is responsible for preparing the Trustee 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 Trustee to prepare financial statements which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;

**The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2023**

- state whether applicable UK accounting standards have been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of its trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustee has 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.

By order of the Board on 2 July 2024

.....


Date: 02.07.24

Richard Cryer

Signed on behalf of the Board of Trustees

Independent Auditor's Report to the Trustee

Opinion

We have audited the financial statements of The Royal Air Force Dependants Fund for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 December 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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. 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.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

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 relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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 6-7, 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 auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

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 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 charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

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 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 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 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.

The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2023

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.


.....

Saffery LLP
71 Queen Victoria Street
London
EC4V 4BE

Chartered Accountants

Statutory Auditors

Date: 19 July 2024

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

**The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2023**

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2023

		2023	2022
		£	£
Income from:	Note		
Subscriptions		171,300	179,362
Legacy income		-	5,640
Investments:			
Invested funds	3	221,215	221,064
Bank deposits		16,551	3,346
Total income		409,066	409,412
Expenditure on:			
Expenditure on charitable activity	2	(434,504)	(401,846)
Net operating (deficit)/surplus		(25,438)	7,566
Net gains/(losses) on investment assets		634,431	(893,261)
Net income and net movement in funds		608,993	(885,695)
Fund balance brought forward		7,220,769	8,106,464
Fund balance carried forward		7,829,762	7,220,769

All funds are unrestricted funds and reported as funds designated to the RAF Dependants Fund in the group accounts.

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

The notes on pages 14 to 18 form part of these financial statements.

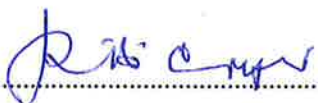
BALANCE SHEET

As at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	3	7,424,827	6,790,396
Current assets			
Debtors	4	66,329	66,825
Bank balances and cash		386,442	394,964
		<u>452,771</u>	<u>461,789</u>
Creditors: amounts falling due within one year	5	<u>(47,836)</u>	<u>(31,416)</u>
Net current assets		<u>404,935</u>	<u>430,373</u>
Net assets		<u>7,829,762</u>	<u>7,220,769</u>
Funds of the charity:			
Unrestricted income fund		<u>7,829,762</u>	<u>7,220,769</u>

The notes on pages 14 to 18 form part of these financial statements.

Approved by the Trustee on 2 July 2024 and signed on its behalf by


.....

Date: 02.07.24

Richard Cryer

Signed on behalf of the Board of Trustees

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. Principal accounting policies

Basis of preparation

The 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 SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

Accounting convention

These financial statements are 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 (FRS102).

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) and the Charities Act 2011.

Going concern

The Trustee has assessed whether the use of the going concern basis is appropriate. The Trustee has concluded that there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Subscription income

Subscription income is accounted for in the period in which it is receivable.

Investment income

Investment income is accounted for on an accrual basis.

Resources expended

All expenditure is recognised in the period in which it is incurred. Resources expended include attributable VAT which cannot be recovered.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

Payments to dependants are included in the financial statements based on claims notified to the Fund during the accounting period.

Governance costs

Governance costs are those incurred in connection with the constitutional and statutory requirements of the Fund and include the cost of external audit and other constitutional related matters.

Support costs

Support costs have been allocated between charitable activity and governance costs on the basis that the individual costs support the work carried out for the core purpose of the Fund.

Investments

Investments are stated at market value as at the balance sheet date and the gain or loss taken to the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

Employee benefits

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

Pensions

Staff are enrolled in the RAF Benevolent Fund's Group Personal Pension Plan scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2023**

2. Expenditure on charitable activity

	2023	2022
	£	£
Death payments	380,000	360,000
Staff costs	37,241	25,270
Support costs:		
Administrative expenses	8,096	7,395
Other expenses	3,252	3,746
Governance - audit fee	5,915	5,435
	<u>434,504</u>	<u>401,846</u>

Staff costs and other expenses are payable to RAF Benevolent Fund.

Staff costs include:

	2023	2022
	£	£
Wages and salaries	30,882	19,715
Pension costs	3,320	3,598
Social security	3,039	1,957
	<u>37,241</u>	<u>25,270</u>

Key management personnel are deemed to be the members of the Management Committee none of whom received or waived any emoluments or expenses during the period (2022: nil).

The sole Trustee, the RAF Benevolent Fund neither received nor waived any emoluments during the period (2022: nil).

The staff costs are for two people (2022: two) employed by the RAFBF and represents amounts recharged based on their time spent on the Fund's operational activity.

Administrative expenses are mainly £8,050 insurance costs in 2023 (2022: £7,350)

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2023

3. Fixed asset investments

Movements in investments during the period:	2023	2022
	£	£
Market value at beginning of period	6,790,396	7,683,657
Net (losses)/ gains on revaluation	634,431	(893,261)
Market value at end of year	<u>7,424,827</u>	<u>6,790,396</u>
Analysis of investment:		
Market value		
CCLA - COIF Charities Investment Fund	<u>7,424,827</u>	<u>6,790,396</u>

The historical cost of investments held is £5,190,081 (2022: £5,190,081).

4. Debtors

	2023	2022
	£	£
Members' subscriptions receivable	15,035	15,546
Investment dividend receivable	51,294	51,369
	<u>66,329</u>	<u>66,825</u>

5. Creditors

	2023	2022
	£	£
Audit fee accrual	5,880	5,400
Death grant accrued	20,000	20,000
Due to The Royal Air Force Benevolent Fund	21,956	5,864
Other	-	152
	<u>47,836</u>	<u>31,416</u>

6. Parent undertaking

The ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, England and Wales Charity number 1081009; Scotland SCO38109. Copies of its group financial statements, which include the Charity, are available from 67 Portland Place, London, W1B 1AR.

7. Related party transactions

During the year this charity's parent recharged staff costs as set out in note 2. The balance due to the parent is shown in note 5. During the year there were no other related party transactions.

THE ROYAL AIR FORCE DEPENDANTS FUND

England & Wales - Charity number 253492

Accounts



THE ROYAL AIR FORCE DEPENDANTS FUND

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended December 2022

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2022

OFFICE HOLDERS AND PROFESSIONAL ADVISERS

Trustee: The Royal Air Force Benevolent Fund

Trustees of the Royal Air Force Benevolent Fund

Alastair Irvine BA (Hons) MCSI

Alison Benjamin BA (Hons)

Air Vice-Marshal Elaine West CBE (until 23 April 2022)

David Cheyne MA (Cantab) (until 31 March 2023)

Frances Brindle MSc BSc (Hons) (until 28 September 2022)

Graeme Craig MA

Lady Susan Meredith Mayhew (from 30 September 2022)

Lawrie Haynes D Eng BA (Hons) FCILTR FRSA (until 28 January 2022)

Allyson Arnold, MSc, BScN (Hons)

Patrick Aylmer FCA

Peggy Iona Esther Walters MA (from 30 September 2022)

Rachel Sarah Prendergast BA (Hons) (from 30 September 2022)

Richard Cryer MA (Cantab) FCA

Richard Daniel (from 1 February 2022)

Sarah Meek MBA (from 1 June 2021 to 25 February 2022)

Squadron Leader Clive Alan Martland (from 30 September 2022)

Wing Commander Sarah Davis MBA MSc FCIPD

Wing Commander Marie-Noelle Orzel OBE QVRM MSc PGDE RGN RSCN (until 30 November 2022)

Wing Commander Sophie Joanne Allen (from 30 September 2022)

Management Committee Members

Air Vice-Marshal Chris Elliot CB CBE MA BSc (Chair)

Air Commodore Paul Hughesdon MA (until 28 March 2023)

Air Commodore Simon Harper (from 28 March 2023)

Group Captain Dawn Murty (from 18 July 2022)

Richard Cryer (from 25 May 2022)

Sarah Meek MBA (until 25 February 2022)

Squadron Leader Clive Alan Martland (from 30 May 2023)

Victoria Akinboro BSc (Hons) ACMA CGMA

Wing Commander Stuart Graham (from 01 Jan 2022 to 17 July 2022)

Company Secretary Victoria Akinboro BSc (Hons) ACMA CGMA

RAF Dependants Fund Manager: Andy Cairns (until 19 April 2023)

Principal Office: 67 Portland Place, London, W1B 1AR

Charity Number: 253492

Independent Auditors: Saffery Champness LLP, 71 Queen Victoria Street, London EC4V 4BE

Bankers: Barclays Bank Plc, 1 Churchill Place, London E14 5HP

Solicitors: Charles Russell Speechleys LLP, 5 Fleet Place, London EC4M 7RD

Investment Managers: CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustee presents its annual report and financial statements of the Charity for the year ended 31 December 2022. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Scheme, the Charities Act 2011 and the Charities SORP (FRS102).

Structure, governance and management

The Royal Airforce Benevolent Fund, a charity registered in England and Wales, charity number 1081009, is the sole trustee of the Royal Air Force Dependants Fund. The consolidated financial statements for the year ended 31 December 2022 are available from the Royal Air Force Benevolent Fund, 67 Portland Place, London, W1B 1AR and www.rafbf.org.

The Royal Air Force Dependants Fund is an unincorporated, registered charity, number 253492. It was originally established under a trust deed dated 1 February 1967 which was subsequently amended in December 1972. In October 2009 the Charity Commission approved a scheme to govern the Charity. The scheme amended the Charity's objects, discharged the custodian trustee and appointed the Royal Air Force Benevolent Fund (RAFBF) as Trustee.

The object for which the Charity is established is such charitable purposes as the Trustee of Royal Air Force Dependants Fund shall think fit including but not limited to:

- Promotion of recruitment to, and the morale and efficiency of Royal Air Force by any means but principally (though not exclusively) by providing a sum of money or other assistance to provide immediate support to family member(s) or dependant(s) of beneficiaries;
- The relief in need, hardship or distress of beneficiaries and their families and dependants.

Although the Trustee may assist dependants who are in need by virtue of financial hardship, sickness, disability or the effects of old age through the provision of discretionary grants, loans, gifts, pensions or otherwise, in practice, only death grants are made by the Charity.

The Trustee has appointed a Management Committee to which it has delegated the power to undertake the following functions:

- Oversee the day to day management and administration of the Fund.
- Make recommendations to the RAFBF in full regarding any issues relating to the management and administration of the Fund.
- Such other responsibilities and activities in full as the RAFBF may from time to time decide.

Under its terms of reference, the Management Committee consists of at least three but no more than six members appointed by the Board of Trustees of the Royal Air Force Benevolent Fund ('the Fund'), who is the sole trustee. At least two members of the Management Committee shall be members of the Board of Trustees of the Fund. In addition, at least one member of the Management Committee shall be a serving member of the Royal Air Force, appointed by the Air Member for Personnel and Capability ("AMP&C"). The

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2022

serving member shall normally be the person appointed as the Deputy Assistant Chief of Staff Community Support (DACOS CS). The serving member holds office until such time they resign from this position or until such time as they are replaced as DACOS CS. Following the resignation of the serving member in December 2021, the position was held by an interim appointment until July 2022 when a permanent appointment was made.

The trustees of the RAFBF have appointed the following office holders as members of the Management Committee to hold office until such time as they leave office:

- Controller, Royal Air Force Benevolent Fund
- Director of Grants, Services and Programmes, Royal Air Force Benevolent Fund; and
- Director of Resources, Royal Air Force Benevolent Fund.

The Management Committee meets once a year to decide the Charity's strategy, policies, set the level of the subscription, agree the maximum amount of the death grant, review the risks facing the Charity and review the performance of the Charity's professional advisers. The day-to-day administration of the Fund is delegated to a member of staff, the RAF Subscriptions Manager, who operates from office accommodation provided by the Royal Air Force. The Subscriptions Manager gives presentations about the benefits that the Fund offers to new recruits at RAF College Cranwell and RAF Halton. Financial, governance and other support are provided by staff of the RAFBF for which the Royal Air Force Dependants Fund is charged an annual administration fee.

Risk management

The Board of Trustees of the RAFBF has overall responsibility for managing risks faced by the RAFBF and its subsidiary entities. The identification of major risks associated with the operation of the Dependants Fund is carried out as part of the risk management process of the parent charity. The main risk identified is that of the Dependants Fund having insufficient assets to meet the expected level of death grants in the event of an incident resulting in major loss of life. The Committee manages this risk in two ways. Firstly, it has calamity insurance to cover the deaths of more than 15 and up to and including 250 members dying in a single incident which is valid up to 4 March 2024. Secondly, the Charity aims to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months.

Objectives and activities for the public benefit

The Fund was established in 1967 to relieve immediate financial distress in the event of the death of a subscriber, from whatever cause, by giving a tax-free death in service grant, payable, at the discretion of the Trustee, to a beneficiary nominated by the subscriber. Since the Fund was established, up to and including 31 December 2022, 3,338 death grants have been made.

The Fund is very popular with service personnel due to its simplicity of design, worldwide cover without restriction on cause of death, and the timely payment to beneficiaries of a tax-free lump sum when it is most needed.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2022

The Management Committee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and policies.

At 31 December 2022 there were 28,876 subscribers to the Fund, some 90% of RAF personnel, compared with 29,778 (92%) at 31 December 2021. 19 subscribers died during the year, compared with 16 in 2021 and an average in the period 2005 to 2022 of 19.6 each year. Natural causes accounted for 13 deaths, 1 in Road Traffic Accidents, 3 due to a non-operational accident and 2 died by suicide. Of those who died, 1 was under the age of 30, 2 were aged between 30 and 40, and 16 were aged over 40.

The Charity paid £360,000 in death grants to 19 beneficiaries. In keeping with the Charity's object of relieving immediate financial distress, all payments aim to be made within 48 hours of the notification of the death.

Financial review

The Charity's work is reliant on income from subscribers and returns on its investments. Income from subscriptions in 2022 amounted to £179,362 (2021: £181,591). These subscriptions are deducted from gross pay under the Give As You Earn Scheme. Income from investments and bank interest amounted to £224,410 (2021: £213,496). Exceptionally, legacy income of £5,640 was received in the year (2021: £44,422). Total resources expended amounted to £401,846 (2021: £308,574) of which £360,000 (2021: £280,000) was for death grants. The net losses on investment assets was £893,261 compared to gains last year (2021: £958,212). The fund balance decreased from £8,106,464 at 31 December 2021 to £7,220,769 at 31 December 2022 due to inflation.

The subscription has been 50p per month since May 2009 and the maximum death grant payable was reviewed in July 2022 (backdated to May 2022) and increased to £20,000 and has remained the same up to 31 December 2022.

Investment policy and performance

The Fund's investment policy is to enhance the value of its investments and earn an appropriate return through the adoption of a managed, diversified portfolio taking a medium level 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 adopt a total return investment policy with the aim of achieving gross target return of CPI plus 5% on a five-year rolling basis.
- To earn a rate of total return above inflation, so that real capital value is preserved while also generating income to be used for welfare 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 that meet the objectives of this strategy in the long term.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2022

Funds continue to be managed by CCLA in the COIF Charities Investment Fund. Turbulent financial markets in 2022 created a challenging environment with soaring inflation, war in Ukraine, policy response of central banks (high interest rates) all being factors affecting asset values resulting in a negative return of 8.75%. During 2022 the unrealised losses amounted to £893,261 (unrealised gains 2021: £958,212).

The market value decreased as a result of the economic contraction, volatility in the stock market and inflation and as at 31 December 2022 showed a fall in value to £6,790,396 (2021: £7,683,657). Total return annualized over the five years to 2022 was 7.5% compared to the benchmark return of 4.3%.

Reserves policy

The Management Committee has reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. Although calamity insurance was in place to cover the deaths of more than 15 and up to 250 members dying in a single incident the Management Committee is aware that an incident resulting in a major loss of life could occur as the result of terrorism or warfare. The Management Committee therefore believes that it is prudent to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months. This is equal to an amount of £6,000,000. At the year-end reserves were above this level at £7,220,769 despite the unrealised losses on investments.

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration of the impact of the current level of inflation on the economy. The Trustee has concluded that despite the economic contraction, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Plans for the future

The Management Committee plans to continue to make death grants to beneficiaries, usually within 48 hours of being notified that a subscriber has died.

Statement of Trustee Responsibilities

The Trustee is responsible for preparing the Trustee 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 Trustee to prepare financial statements which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures which are explained in the financial statements;

The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2022

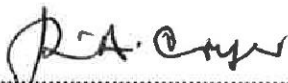
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of its trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustee has 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.

By order of the Board on 30 May 2023



Date: 27 June 2023

Richard Cryer

Signed on behalf of the Board of Trustees

Independent Auditor's Report to the Trustee

Opinion

We have audited the financial statements of The Royal Air Force Dependants Fund for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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. 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.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2022

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 relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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 6-7, 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 auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2022

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 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 charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

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 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 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 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.

**The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2022**

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Chartered Accountants

Statutory Auditors

Date: *18 July 2023*

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

**The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2022**

**STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2022**

		2022	2021
		£	£
Income from:	Note		
Subscriptions		179,362	181,591
Legacy income		5,640	44,422
Investments:			
Invested funds	2	221,064	213,496
Bank deposits		3,346	-
Total income		409,412	439,509
Expenditure on:			
Expenditure on charitable activity	3	(401,846)	(308,574)
Net operating income		7,566	130,935
Net (losses)/ gains on investment assets		(893,261)	958,212
Net income and net movement in funds		(885,695)	1,089,147
Fund balance brought forward		8,106,464	7,017,317
Fund balance carried forward		7,220,769	8,106,464

All funds are unrestricted funds.

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

The notes on pages 14 to 17 form part of these financial statements.

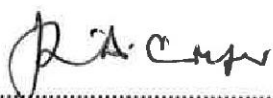
BALANCE SHEET

As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	4	6,790,396	7,683,657
Current assets			
Debtors	5	66,825	109,864
Bank balances and cash		394,964	321,669
		<u>461,789</u>	<u>431,533</u>
Creditors: amounts falling due within one year	6	(31,416)	(8,726)
		<u>430,373</u>	<u>422,807</u>
Net current assets		<u>430,373</u>	<u>422,807</u>
Net assets		<u>7,220,769</u>	<u>8,106,464</u>
Funds of the charity:			
Unrestricted income fund		<u>7,220,769</u>	<u>8,106,464</u>

The notes on pages 14 to 18 form part of these financial statements.

Approved by the Trustee on 30 May 2023 and signed on its behalf by



Date: 27 June 2023

Richard Cryer

Signed on behalf of the Board of Trustees

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1. Principal accounting policies

Basis of preparation

The 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 SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

Accounting convention

These financial statements are 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 (FRS102).

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) and the Charities Act 2011.

Going concern

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration to the impact of the Covid-19 pandemic. The Trustee has concluded that despite the impact of the crisis, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Subscription income

Subscription income is accounted for in the period in which it is receivable.

Investment income

Investment income is accounted for on an accrual basis.

The Royal Air Force Dependants Fund Report and Financial Statements 31 December 2022

Resources expended

All expenditure is recognised in the period in which it is incurred. Resources expended include attributable VAT which cannot be recovered.

Payments to dependants are included in the financial statements based on claims notified to the Fund during the accounting period.

Governance costs

Governance costs are those incurred in connection with the constitutional and statutory requirements of the Fund and include the cost of external audit and other constitutional related matters.

Support costs

Support costs have been allocated between charitable activity and governance costs on the basis that the individual costs support the work carried out for the core purpose of the Fund.

Investments

Investments are stated at market value as at the balance sheet date and the gain or loss taken to the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

Employee benefits

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

Pensions

Staff are enrolled in the RAF Benevolent Fund's Group Personal Pension Plan scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

**The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2022**

2. Interest and dividends

Income from investments is shown gross of recoverable income tax.

3. Expenditure on charitable activity

	2022	2021
	£	£
Death payments	360,000	280,000
Staff costs	25,270	23,592
Support costs:		
Administrative expenses	7,395	41
Other expenses	3,746	106
Governance - audit fee	5,435	4,835
	401,846	308,574

Staff costs and other expenses are payable to RAF Benevolent Fund.

Staff costs include:

	2022	2021
	£	£
Wages and salaries	19,715	19,691
Pension costs	3,598	1,983
Social security	1,957	1,918
	25,270	23,592

Key management personnel are deemed to be the members of the Management Committee none of whom received or waived any emoluments or expenses during the period (2021: nil).

The sole Trustee, the RAF Benevolent Fund neither received nor waived any emoluments during the period (2021: nil).

The staff costs relate to two people (2021: two) employed by the RAFBF and represents amounts recharged based on their time spent on the Fund's operational activity.

Administrative Expenses include £7,350 insurance costs in 2022 which were borne by the main fund in 2021.

**The Royal Air Force Dependants Fund Report and Financial Statements
31 December 2022**

4. Fixed asset investments

Movements in investments during the period:	2022	2021
	£	£
Market value at beginning of period	7,683,657	6,725,445
Net (losses)/ gains on revaluation	(893,261)	958,212
Market value at end of year	<u>6,790,396</u>	<u>7,683,657</u>
Analysis of investment:		
Market value		
CCLA - COIF Charities Investment Fund	<u>6,790,396</u>	<u>7,683,657</u>

The historical cost of investments held is £5,190,081 (2021: £5,190,081).

5. Debtors

	2022	2021
	£	£
Members' subscriptions receivable	15,456	14,859
Investment dividend receivable	51,369	50,583
Legacy income accrued	-	44,422
	<u>66,825</u>	<u>109,864</u>

6. Creditors

	2022	2021
	£	£
Audit fee accrual	5,400	4,800
Death grant accrued	20,000	-
Due to The Royal Air Force Benevolent Fund	5,864	3,926
Other	152	-
	<u>31,416</u>	<u>8,726</u>

7. Parent undertaking

The ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, England and Wales Charity number 1081009; Scotland SCO38109. Copies of its group financial statements, which include the Charity, are available from 67 Portland Place, London, W1B 1AR.

THE ROYAL AIR FORCE DEPENDANTS FUND

England & Wales - Charity number 253492

Accounts

The Royal Air Force Dependants Fund

Annual Report and Financial Statements

For the year ended 31 December 2021

OFFICE HOLDERS AND PROFESSIONAL ADVISERS

Trustee: The Royal Air Force Benevolent Fund

Trustees of the Royal Air Force Benevolent Fund

Lawrie Haynes D Eng BA (Hons) FCILTR FRSA (until 28 January 2022)
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)
Graeme Craig MA
Richard Cryer MA (Cantab) FCA (from 1 June 2021)
Richard Daniel (from 1 February 2022)
Wing Commander Sarah Davis MBA MSc FCIPD
Richard Ingham (until 25 March 2021)
Alastair Irvine BA (Hons) MCSI
Sarah Meek MBA (from 1 June 2021 to 25 February 2022)
Wing Commander Marie-Noelle Orzel OBE QVRM MSc PGDE RGN RSCN
Graeme Shankland (until 6 July 2021)
Air Vice-Marshal Elaine West CBE (until 23 April 2022)

Management Committee Members

Air Vice-Marshal Chris Elliot CB CBE MA BSc (Chair)
Frances Brindle MSc BSc (Hons) (until 21 December 2021)
Richard Cryer MA (Cantab) FCA (from 15 October 2021)
Group Captain Jacqueline East (until 11 May 2021)
Victoria Fakehinde BSc (Hons) ACMA CGMA
Sarah Meek MBA (from 15 October 2021 to 25 February 2022)
Group Captain Colin Owen (from 11 May 2021 to 13 December 2021)
Air Commodore Paul Hughesdon MA
Graeme Shankland (until 6 July 2021)

Company Secretary

Air Commodore Paul Higgins MA BA (Hons) FCILT FCMI (until 3 September 2021)
Victoria Fakehinde BSc (Hons) ACMA CGMA (from 3 September 2021)

RAF Dependants Fund Manager: Andy Cairns

Principal Office: 67 Portland Place, London, W1B 1AR

Charity Number: 253492

Independent Auditors

Saffery Champness LLP, 71 Queen Victoria Street, London EC4V 4BE

Bankers

Barclays Bank Plc, 1 Churchill Place, London E14 5HP

Solicitors

Charles Russell Speechleys LLP, 5 Fleet Place, London EC4M 7RD

Investment Managers

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustee presents its annual report and financial statements of the Charity for the year ended 31 December 2021. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Scheme, the Charities Act 2011 and the Charities SORP (FRS102).

Structure, governance and management

The RAF Benevolent Fund, a charity registered in England and Wales, charity number 1081009, is the sole trustee of the Royal Air Force Dependants Fund. The consolidated financial statements for the year ended 31 December 2021 are available from the Royal Air Force Benevolent Fund, 67 Portland Place, London, W1B 1AR and www.rafbf.org.

The Royal Air Force Dependants Fund is an unincorporated, registered charity, number 253492. It was originally established under a trust deed dated 1 February 1967 which was subsequently amended in December 1972. In October 2009 the Charity Commission approved a scheme to govern the Charity. The scheme amended the Charity's objects, discharged the custodian trustee and appointed the Royal Air Force Benevolent Fund (RAFBF) as Trustee.

The object for which the Charity is established is such charitable purposes as the Trustee of Royal Air Force Dependants Fund shall think fit including but not limited to:

- Promotion of recruitment to, and the morale and efficiency of Royal Air Force by any means but principally (though not exclusively) by providing a sum of money or other assistance to provide immediate support to family member(s) or dependant(s) of beneficiaries;
- The relief in need, hardship or distress of beneficiaries and their families and dependants.

Although the Trustee may assist dependants who are in need by virtue of financial hardship, sickness, disability or the effects of old age through the provision of discretionary grants, loans, gifts, pensions or otherwise, in practice, only death grants are made by the Charity.

The Trustee has appointed a Management Committee to which it has delegated the power to undertake the following functions:

- Oversee the day to day management and administration of the Fund.
- Make recommendations to the RAFBF in full regarding any issues relating to the management and administration of the Fund.
- Such other responsibilities and activities in full as the RAFBF may from time to time decide.

Under its terms of reference, the Management Committee consists of at least three but no more than six members appointed by the Board of Trustees of the RAFBF. At least two members of the Management Committee shall be members of the Board of Trustees of the RAFBF. In addition, at least one member of the Management Committee shall be a serving member of the Royal Air Force, appointed by the Air Member for Personnel and Capability ("AMP&C") of the Royal Air Force. The serving member holds office until such time they resign from this position or until such time as they are replaced as DACOS CS. Should the standard appointment be changed, then RAFBF would expect AMP&C or a senior member of their staff to appoint another Serving Member in his/her place. The serving member resigned in December 2021. At the time of finalising this report we await confirmation from the Royal Air Force as to their replacement.

The trustees of the RAFBF have appointed the following office holders as members of the Management Committee to hold office until such time as they leave from office:

- Controller, Royal Air Force Benevolent Fund
- Director of Welfare, Royal Air Force Benevolent Fund; and
- Director of Resources, Royal Air Force Benevolent Fund.

The Management Committee meets once a year to decide the Charity's strategy, policies, set the level of the subscription, agree the maximum amount of the death grant, review the risks facing the Charity and review the performance of the Charity's professional advisers. The day to day administration of the Fund is delegated to a member of staff, the RAF Subscriptions Manager, who operates from office accommodation provided by the RAFBF. The Subscriptions Manager gives presentations about the benefits that the Fund offers to new recruits at RAF College Cranwell and RAF Halton. Financial, governance and other support are provided by staff of the RAFBF for which the Royal Air Force Dependants Fund is charged an annual administration fee.

Risk management

The Board of Trustees of the RAFBF has overall responsibility for managing risks faced by the RAFBF and its subsidiary entities. The identification of major risks associated with the operation of the Dependants Fund is carried out as part of the risk management process of the parent charity. The main risk identified is that of the Dependants Fund having insufficient assets to meet the expected level of death grants in the event of an incident resulting in major loss of life. The Committee manages this risk in two ways. Firstly, it has calamity insurance to cover the deaths of more than 15 and up to and including 250 members dying in a single incident which is valid up to 11 February 2023. Secondly, the Charity aims to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months.

Objectives and activities for the public benefit

The Fund was established in 1967 to relieve immediate financial distress in the event of the death of a subscriber, from whatever cause, by giving a tax-free death in service grant, payable, at the discretion of the Trustee, to a beneficiary nominated by the subscriber. Since the Fund was established, up to and including 31 December 2021, 3,318 death grants have been made.

The Fund is very popular with service personnel due to its simplicity of design, worldwide cover without restriction on cause of death, and the timely payment to beneficiaries of a tax-free lump sum when it is most needed.

The Management Committee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and policies.

At 31 December 2021 there were 29,778 subscribers to the Fund, some 92% of RAF personnel, compared with 29,669 (92%) at 31 December 2020. 16 subscribers died during the year, compared with 15 in 2020 and an average in the period 2005 to 2021 of 18 each year. Natural causes accounted for 10 deaths, 1 in Road Traffic Accidents, 3 due to a non-operational accident and 2 took their own lives. Of those who died, 2 were under the age of 30, 5 were aged between 30 and 40, and 9 were aged over 40.

The Charity paid £280,000 in death grants to 16 beneficiaries. In keeping with the Charity's object of relieving immediate financial distress, all payments aim to be made within 48 hours of the notification of the death.

Financial review

The Charity's work is reliant on income from subscribers and returns on its investments. Income from subscriptions in 2021 amounted to £181,591(2020: £181,996). These subscriptions are deducted from gross pay under the Give As You Earn Scheme. Income from investments and bank interest amounted to £213,496 (2020: £209,305). Exceptionally, legacy income of £44,422 was received in the year. Total resources expended amounted to £308,574 (2020: £291,721) of which £280,000 (2020: £262,500) was for death grants. The net gains on investment assets was

£958,212 (2020: £405,980). As a result, the fund balance increased from £7,017,317 at 31 December 2020 to £8,106,464 at 31 December 2021.

The subscription has been 50p per month since May 2009 and the maximum death grant payable was reviewed in June 2018 and increased to £17,500 and has remained the same up to 31 December 2021.

Investment policy and performance

The Fund's investment policy is to enhance the value of its investments and earn an appropriate return through the adoption of a managed, diversified portfolio taking a medium level 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 adopt a total return investment policy with the aim of achieving gross target return of CPI plus 5% on a five-year rolling basis.
- To earn a rate of total return above inflation, so that real capital value is preserved while also generating income to be used for welfare 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 that meet the objectives of this strategy in the long term.

The return on investments in the year comprises the investment income generated and the capital gains or losses on the underlying investments. A total return of 17.4% was achieved in 2021 (2020: 9.7%). During 2021 the unrealised gains amounted to £958,212 (2020: £405,980).

The market value recovered from the impact of Covid-19 throughout the year and as at 31 December 2021 showed an increase in value to £7,683,657 (2020: £6,725,445). However, volatility in the stock markets at the beginning of 2022 has subsequently resulted in a fall in value of £566K to £7,117,807 as at the end of April 2022.

Reserves policy

The Management Committee has reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. Although calamity insurance was in place to cover the deaths of more than 15 and up to and including 250 members dying in a single incident the Management Committee is aware that an incident resulting in a major loss of life could occur as the result of terrorism or warfare. The Management Committee therefore believes that it is prudent to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months. This is equal to an amount of £5,265,000. At the year-end reserves were above this level at £8,106,464 largely due to the unrealised gains on investments.

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration to the impact of the Covid-19 pandemic. The Trustee has concluded that despite the impact of the crisis, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Plans for the future

The Management Committee plans to continue to make death grants to beneficiaries, usually within 48 hours of being notified that a subscriber has died.

Statement of Trustee Responsibilities

The Trustee is responsible for preparing the Trustee 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 Trustee to prepare financial statements which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustee is required to:

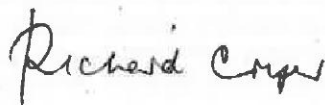
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of its trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustee has 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.

By order of the Board on 21 June 2022



Date: 15 July 2022

Richard Cryer
Signed on behalf of the Board of Trustees

Independent Auditors' Report to the Trustee

Opinion

We have audited the financial statements of The Royal Air Force Dependants Fund for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 December 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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. 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 relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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 5, 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 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 charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

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 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 charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

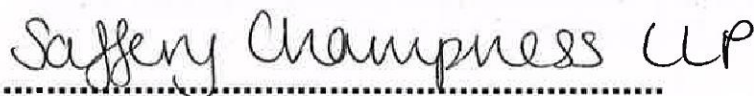
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.


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Saffery Champness LLP

71 Queen Victoria
Street, London,
EC4V 4BE

Chartered Accountants

Statutory Auditors

Date: 26 July 2022

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

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2021

		2021	2020
		£	£
Income from:			
	Note		
Subscriptions		181,591	181,996
Legacy income		44,422	-
Investments:			
Invested funds	2	213,496	209,036
Bank deposits		-	269
Total income		<u>439,509</u>	<u>391,301</u>
Expenditure on:			
Expenditure on charitable activity	3	<u>(308,574)</u>	<u>(291,721)</u>
Net operating income		130,935	99,580
Net gains on investment assets		<u>958,212</u>	<u>405,980</u>
Net income and net movement in funds		1,089,147	505,560
Fund balance brought forward		<u>7,017,317</u>	<u>6,511,757</u>
Fund balance carried forward		<u>8,106,464</u>	<u>7,017,317</u>

All funds are unrestricted funds.

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

The notes on pages 11 to 14 form part of these financial statements.

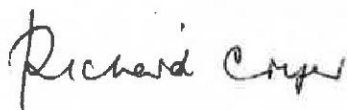
BALANCE SHEET

As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	4	7,683,657	6,725,445
Current assets			
Debtors	5	109,864	63,402
Bank balances and cash		321,669	253,452
		<u>431,533</u>	<u>316,854</u>
Creditors: amounts falling due within one year	6	<u>(8,726)</u>	<u>(24,982)</u>
Net current assets		<u>422,807</u>	<u>291,872</u>
Net assets		<u>8,106,464</u>	<u>7,017,317</u>
Funds of the charity:			
Unrestricted income fund		<u>8,106,464</u>	<u>7,017,317</u>

The notes on pages 11 to 14 form part of these financial statements.

Approved by the Trustee on 21 June 2021 and signed on its behalf by



Date: 15 July 2022

Richard Cryer
Signed on behalf of the Board of Trustees

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1. Principal accounting policies

Basis of preparation

The 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 SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

Accounting convention

These financial statements are 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 (FRS102).

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) and the Charities Act 2011.

Going concern

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration to the impact of the Covid-19 pandemic. The Trustee has concluded that despite the impact of the crisis, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Subscription income

Subscription income is accounted for in the period in which it is receivable.

Investment income

Investment income is accounted for an accrual basis.

Resources expended

All expenditure is recognised in the period in which it is incurred. Resources expended include attributable VAT which cannot be recovered.

Payments to dependants are included in the financial statements based on claims notified to the Fund during the accounting period.

Governance costs

Governance costs are those incurred in connection with the constitutional and statutory requirements of the Fund and include the cost of external audit and other constitutional related matters.

Support costs

Support costs have been allocated between charitable activity and governance costs on the basis that the individual costs support the work carried out for the core purpose of the Fund.

Investments

Investments are stated at market value as at the balance sheet date and the gain or loss taken to the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

Employee benefits

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

Pensions

Staff are enrolled in the RAF Benevolent Fund's Group Personal Pension Plan scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. Interest and dividends

Income from investments is shown gross of recoverable income tax.

3. Expenditure on charitable activity

	2021	2020
	£	£
Death payments	280,000	262,500
Staff costs	23,592	22,863
Support costs:		
Administrative expenses	41	41
Other expenses	106	1,142
Governance - audit fee	4,835	5,175
	<u>308,574</u>	<u>291,721</u>

Staff costs and other expenses are payable to RAF Benevolent Fund.

Staff costs include:

	2021	2020
	£	£
Wages and salaries	19,691	19,103
Pension costs	1,983	1,897
Social security	1,918	1,863
	<u>23,592</u>	<u>22,863</u>

Key management personnel are deemed to be the members of the Management Committee none of whom received or waived any emoluments or expenses during the period (2020: nil).

The sole Trustee, the RAF Benevolent Fund neither received nor waived any emoluments during the period (2020: nil).

The staff costs relate to two people (2020: two) employed by the RAFBF and represents amounts recharged based on their time spent on the Fund's operational activity.

4. Fixed asset investments

Movements in investments during the period:

	2021	2020
	£	£
Market value at beginning of period	6,725,445	6,319,465
Net gains on revaluation	958,212	405,980
Market value at end of year	<u>7,683,657</u>	<u>6,725,445</u>
Analysis of investment:		
Market value		
CCLA - COIF Charity Funds	<u>7,683,657</u>	<u>6,725,445</u>

The historical cost of investments held is £5,190,081 (2020: £5,190,081).

5. Debtors

	2021	2020
	£	£
Members' subscriptions receivable	14,859	14,801
Investment dividend receivable	50,583	48,601
Legacy income accrued	44,422	-
	<u>109,864</u>	<u>63,402</u>

6. Creditors

	2021	2020
	£	£
Audit fee accrual	4,800	4,440
Death grant accrued	-	17,500
Due to The Royal Air Force Benevolent Fund	3,926	3,042
	<u>8,726</u>	<u>24,982</u>

7. Related party transactions

Expenditure of £24,212 (2021: £24,005) incurred by the Fund during the year was initially settled by the Royal Air Force Benevolent Fund. A balance of £3,926 (2020: £3,042) was due to the Royal Air Force Benevolent Fund as at 31 December 2021. There are no other related party transactions that require disclosure.

8. Parent undertaking

The ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, England and Wales Charity number 1081009; Scotland SCO38109. Copies of its group financial statements, which include the Charity, are available from 67 Portland Place, London, W1B 1AR.

THE ROYAL AIR FORCE DEPENDANTS FUND

England & Wales - Charity number 253492

Accounts

The Royal Air Force Dependants Fund

Annual Report and Financial Statements

For the year ended 31 December 2020

OFFICE HOLDERS AND PROFESSIONAL ADVISERS

Trustee: The Royal Air Force Benevolent Fund

Trustees of the Royal Air Force Benevolent Fund

Lawrie Haynes D Eng BA (Hons) FCILTR FRSA
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)
Dr Stephen Critchley MA (Hons) D Phil FCA (until 26 November 2020)
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)
Alastair Irvine BA (Hons) MCSI (from 26 November 2020)
Wing Commander Marie-Noelle Orzel OBE QVRM MSc PGDE RGN RSCN
Graeme Shankland
Air Vice-Marshal Elaine West CBE

Management Committee Members

Air Vice-Marshal The Honourable David Murray CVO OBE (Chair) (until 20 April 2020)
Air Vice-Marshal Chris Elliot CB CBE MA BSc (Chair) (from 20 April 2020)
Frances Brindle MSc BSc (Hons)
Group Captain Jacqueline East (until 11 May 2021)
Victoria Fakehinde BSc (Hons) ACMA CGMA
Air Commodore Paul Hughesdon MA
Graeme Shankland
Group Captain Colin Owen (from 11 May 2021)

Company Secretary

Air Commodore Paul Higgins MA BA (Hons) FCILT FCMI

RAF Dependants Fund Manager: Andy Cairns

Principal Office: 67 Portland Place, London, W1B 1AR

Charity Number: 253492

Independent Auditors

Saffery Champness LLP, 71 Queen Victoria Street, London EC4V 4BE

Bankers

Barclays Bank Plc, 1 Churchill Place, London E14 5HP

Solicitors

Charles Russell Speechleys LLP, 5 Fleet Place, London EC4M 7RD

Investment Managers

CCLA Investment Management Limited, Senator House, 85 Queen Victoria Street, London, EC4V 4ET

REPORT OF THE TRUSTEE FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustee presents its annual report and financial statements of the Charity for the year ended 31 December 2020. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Charity's Scheme, the Charities Act 2011 and the Charities SORP (FRS102).

Structure, governance and management

The RAF Benevolent Fund, a charity registered in England and Wales, charity number 1081009, is the sole trustee of the Royal Air Force Dependants Fund. The consolidated financial statements for the year ended 31 December 2020 are available from the Royal Air Force Benevolent Fund, 67 Portland Place, London, W1B 1AR and www.rafbf.org.

The Royal Air Force Dependants Fund is an unincorporated, registered charity, number 253492. It was originally established under a trust deed dated 1 February 1967 which was subsequently amended in December 1972. In October 2009 the Charity Commission approved a scheme to govern the Charity. The scheme amended the Charity's objects, discharged the custodian trustee and appointed the Royal Air Force Benevolent Fund (RAFBF) as Trustee.

The object for which the Charity is established is such charitable purposes as the Trustee of Royal Air Force Dependants Fund shall think fit including but not limited to:

- Promotion of recruitment to, and the morale and efficiency of Royal Air Force by any means but principally (though not exclusively) by providing a sum of money or other assistance to provide immediate support to family member(s) or dependant(s) of beneficiaries;
- The relief in need, hardship or distress of beneficiaries and their families and dependants.

Although the Trustee may assist dependants who are in need by virtue of financial hardship, sickness, disability or the effects of old age through the provision of discretionary grants, loans, gifts, pensions or otherwise, in practice, only death grants are made by the Charity.

The Trustee has appointed a Management Committee to which it has delegated the power to undertake the following functions:

- Oversee the day to day management and administration of the Fund.
- Make recommendations to the RAFBF in full regarding any issues relating to the management and administration of the Fund.
- Such other responsibilities and activities in full as the RAFBF may from time to time decide.

Under its terms of reference, the Management Committee consists of at least three but no more than six members appointed by the trustees of the RAFBF, of whom at least two must be trustees of the RAFBF. At least one member of the Management Committee must be a serving member of the Royal Air Force, appointed by the Deputy Commander Capability and Air Member for Personnel (DCom Cap&), by notice in writing to the Secretary. The serving member holds office until such time they resign from this position or until such time as the DCom Cap& appoints another serving member in their place. The trustees of the RAFBF have appointed the following office holders as members of the Management Committee to hold office until such time as they leave from office:

- Controller, Royal Air Force Benevolent Fund
- Director of Welfare and Policy, Royal Air Force Benevolent Fund; and
- Director of Finance, Royal Air Force Benevolent Fund.

The Management Committee meets once a year to decide the Charity's strategy, policies, set the level of the subscription, agree the maximum amount of the death grant, review the risks facing the Charity and review the performance of the Charity's professional advisers. The day to day administration of the Fund is delegated to a member of staff, the RAF Subscriptions Manager, who operates from office accommodation provided by the RAFBF. The Subscriptions Manager gives presentations about the benefits that the Fund offers to new recruits at RAF College Cranwell and RAF Halton. Financial, governance and other support are provided by staff of the RAFBF for which the Royal Air Force Dependants Fund is charged an annual administration fee.

Risk management

The Management Committee has reviewed the major risks to which the Charity is exposed and has established systems and procedures to manage those risks. The main risk identified is that of the Fund having insufficient assets to meet the expected level of death grants in the event of an incident resulting in major loss of life. The Committee manages this risk in two ways. First, the Charity has calamity insurance to cover the deaths of more than 15 and up to and including 250 members dying in a single incident, including the loss of an aircraft due to a technical fault whilst flying over a conflict zone. Second, the Charity aims to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months.

Objectives and activities for the public benefit

The Fund was established in 1967 to relieve immediate financial distress in the event of the death of a subscriber, from whatever cause, by giving a tax-free death in service grant, payable, at the discretion of the Trustee, to a beneficiary nominated by the subscriber. Since the Fund was established, up to and including 31 December 2020, 3,302 death grants have been made.

The Fund is very popular with service personnel due to its simplicity of design, worldwide cover without restriction on cause of death, and the timely payment to beneficiaries of a tax-free lump sum when it is most needed.

The Management Committee confirms that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Fund's aims and objectives and in planning future activities and policies.

At 31 December 2020 there were 29,669 subscribers to the Fund, some 92% of RAF personnel, compared with 30,142 (92%) at 31 December 2019. 15 subscribers died during the year, compared with 19 in 2019 and an average in the period 2005 to 2019 of 13 each year. Natural causes accounted for 6 deaths, 3 in Road Traffic Accidents, 1 due to a non-operational accident and 5 took their own lives. Of those who died, 1 was aged under 30, 9 were aged between 30 and 40, and 5 were aged over 40.

The Charity paid £262,500 in death grants to 15 beneficiaries. In keeping with the Charity's object of relieving immediate financial distress, all payments aim to be made within 48 hours of the notification of the death.

Financial review

The Charity's work is reliant on income from subscribers and returns on its investments. Income from subscriptions in 2020 amounted to £181,996 (2019: £184,324). These subscriptions are deducted from gross pay under the Give As You Earn Scheme. Income from investments and bank interest amounted to £209,305 (2019: £203,370). Total resources expended amounted to £291,721 (2019: £358,960) of which £262,500 (2019: £332,500) was for death grants. The net gains on investment assets was £405,980 (2019: £928,602 gain). As a result, the fund balance increased from £6,511,757 at 31 December 2019 to £7,017,317 at 31 December 2020.

The subscription has been 50p per month since May 2009 and the maximum death grant payable was reviewed in June 2018 and increased to £17,500 and has remained the same up to 31 December 2020.

Investment policy and performance

The Fund's investment policy is to enhance the value of its investments and earn an appropriate return through the adoption of a managed, diversified portfolio taking a medium level 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 adopt a total return investment policy with the aim of achieving gross target return of CPI plus 5% on a five-year rolling basis.

- To earn a rate of total return above inflation, so that real capital value is preserved while also generating income to be used for welfare 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 that meet the objectives of this strategy in the long term.

The return on investments in the year comprises the investment income generated and the capital gains or losses on the underlying investments. A total return of 6.4% was achieved in 2020 (2019: 17.9%). During 2020 the unrealised gains amounted to £405,980 (2019: unrealised gains of £928,602). The lower increase in the valuation of the investments compared to 2019 was mainly due to the turbulent market movements seen in 2020 as a result of the Covid-19 impact.

The impact of Covid-19 on the markets resulted in a £59k (under 1%) decline in the market value of our investments in the first half of the year and another £161k (2.6%) decline in market value in October 2020. The market value recovered as at 31 December 2020 to show an increase in value to £6,725,445 (2019: £6,319,465).

Reserves policy

The Management Committee has reviewed the Charity's needs for reserves in line with the guidance issued by the Charity Commission. Although calamity insurance is in place to cover the deaths of more than 15 and up to and including 250 members dying in a single incident, including the loss of an aircraft due to a technical fault whilst flying over a conflict zone, the Management Committee is aware that an incident resulting in a major loss of life could occur as the result of terrorism or warfare. The Management Committee therefore believes that it is prudent to have sufficient reserves to pay death grants to approximately 300 families and cover the Charity's running costs for 6 months. This is equal to an amount of £5,265,000. At the year-end reserves were above this level at £7,017,317 largely due to the unrealised gains on investments.

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration to the impact of the Covid-19 pandemic. The Trustee has concluded that despite the impact of the crisis, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Plans for the future

The Management Committee plans to continue to make death grants to beneficiaries, usually within 48 hours of being notified that a subscriber has died. The Management Committee does not expect the Covid-19 crisis to have an impact on the Charity's ability to continue to pay death grants.

Statement of Trustee Responsibilities

The Trustee is responsible for preparing the Trustee 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 Trustee to prepare financial statements which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities' SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures which are explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of its trust deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustee is aware:

- there is no relevant audit information of which the Charity's auditor is unaware; and
- the Trustee has 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.

By order of the Board on 11 June 2021



.....
Lawrie Haynes

Signed on behalf of the Board of Trustees

Date: 16 June 2021

Independent Auditors' Report to the Trustee

Opinion

We have audited the financial statements of The Royal Air Force Dependants Fund for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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. 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 relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; 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 5, 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.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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 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 charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

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 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 charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

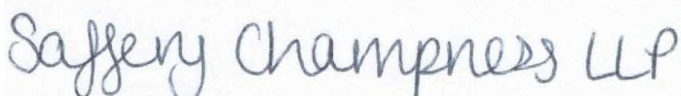
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 charity and the 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

Date: 23/07/2021

71 Queen Victoria
Street, London,
EC4V 4BE

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

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 December 2020

		2020	2019
		£	£
Income from:	Note		
Subscriptions		181,996	184,324
Investments:			
Invested funds		209,036	201,844
Bank deposits		269	1,526
Total income		391,301	387,694
Expenditure on:			
Expenditure on charitable activity	3	(291,721)	(358,960)
Net operating income		99,580	28,734
Net gains/(losses) on investment assets		405,980	928,602
Net income/(expenditure) and net movement in funds		505,560	957,336
Fund balance brought forward		6,511,757	5,554,421
Fund balance carried forward		7,017,317	6,511,757

All funds are unrestricted funds.

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

The notes on pages 11 to 14 form part of these financial statements.

BALANCE SHEET

As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	4	6,725,445	6,319,465
Current assets			
Debtors	5	63,402	61,734
Bank balances and cash		253,452	204,455
		<u>316,854</u>	<u>266,189</u>
Creditors: amounts falling due within one year	6	<u>(24,982)</u>	<u>(73,897)</u>
Net current assets		<u>291,872</u>	<u>192,292</u>
Net assets		<u>7,017,317</u>	<u>6,511,757</u>
Funds of the charity:			
Unrestricted income fund		<u>7,017,317</u>	<u>6,511,757</u>

The notes on pages 11 to 14 form part of these financial statements.

Approved by the Trustee on 11 June 2021 and signed on its behalf by



.....
Lawrie Haynes

Signed on behalf of the Board of Trustees

Date: 16 June 2021

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. Principal accounting policies

Basis of preparation

The 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 SORP rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

Accounting convention

These financial statements are 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 (FRS102).

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) and the Charities Act 2011.

Going concern

The Trustee has assessed whether the use of the going concern basis is appropriate and has done so with due consideration to the impact of the Covid-19 pandemic. The Trustee has concluded that despite the impact of the crisis, there are adequate resources to continue operating for the foreseeable future. The Trustee has made this assessment for a period of at least one year from the date of approval of the financial statements. The Charity therefore continues to adopt the going concern basis in preparing its financial statements.

Subscription income

Subscription income is accounted for in the period in which it is receivable.

Investment income

Investment income is accounted for an accrual basis.

Resources expended

All expenditure is recognised in the period in which it is incurred. Resources expended include attributable VAT which cannot be recovered.

Payments to dependants are included in the financial statements based on claims notified to the Fund during the accounting period.

Governance costs

Governance costs are those incurred in connection with the constitutional and statutory requirements of the Fund and include the cost of external audit and other constitutional related matters.

Support costs

Support costs have been allocated between charitable activity and governance costs on the basis that the individual costs support the work carried out for the core purpose of the Fund.

Investments

Investments are stated at market value as at the balance sheet date and the gain or loss taken to the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term liquid investments with original maturities of three months or less.

Financial instruments

Basic financial instruments are measured at amortised cost other than investments which are measured at fair value.

Employee benefits

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

Pensions

Staff are enrolled in the RAF Benevolent Fund's Group Personal Pension Plan scheme. Contributions are charged in the Statement of Financial Activities as they become payable.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements.

In the view of the Trustee in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

2. Interest and dividends

Income from investments is shown gross of recoverable income tax.

3. Expenditure on charitable activity

	2020	2019
	£	£
Death payments	262,500	332,500
Staff costs	22,863	17,040
Support costs:		
Administrative expenses	41	41
Other expenses	1,142	3,764
Governance - audit fee	5,175	5,615
	<u>291,721</u>	<u>358,960</u>

Staff costs and other expenses are payable to RAF Benevolent Fund.

Staff costs include:

	2020	2019
	£	£
Wages and salaries	19,103	14,320
Pension costs	1,897	1,392
Social security	1,863	1,328
	<u>22,863</u>	<u>17,040</u>

Key management personnel are deemed to be the members of the Management Committee none of whom received or waived any emoluments or expenses during the period (2019: nil).

The sole Trustee, the RAF Benevolent Fund neither received nor waived any emoluments during the period (2019: nil).

The Fund has two employees (2019: two) neither of whom receives employee benefits of more than £60,000.

4. Fixed asset investments

Movements in investments during the period:	2020	2019
	£	£
Market value at beginning of period	6,319,465	5,165,863
Additions to investments at cost	-	225,000
Net gains on revaluation	405,980	928,602
Market value at end of year	<u>6,725,445</u>	<u>6,319,465</u>
Analysis of investment:		
Market value		
CCLA - COIF Charity Funds	<u>6,725,445</u>	<u>6,319,465</u>

The historical cost of investments held is £5,190,081 (2019: £5,190,081).

5. Debtors

	2020	2019
	£	£
Members' subscriptions receivable	14,801	15,041
Investment dividend receivable	48,601	46,693
	<u>63,402</u>	<u>61,734</u>

6. Creditors

	2020	2019
	£	£
Audit fee accrual	4,440	5,580
Death grant accrued	17,500	17,500
Due to The Royal Air Force Benevolent Fund	3,042	50,817
	<u>24,982</u>	<u>73,897</u>

7. Related party transactions

Expenditure of £24,005 (2019: £20,804) incurred by the Fund during the year was initially settled by the Royal Air Force Benevolent Fund. A balance of £3,042 (2019: £50,817) was due to the Royal Air Force Benevolent Fund as at 31 December 2020. There are no other related party transactions that require disclosure.

8. Parent undertaking

In the Trustee's opinion, the ultimate parent undertaking is The Royal Air Force Benevolent Fund, incorporated by Royal Charter, England and Wales Charity number 1081009; Scotland SCO38109. Copies of its group financial statements, which include the Charity, are available from 67 Portland Place, London, W1B 1AR.