

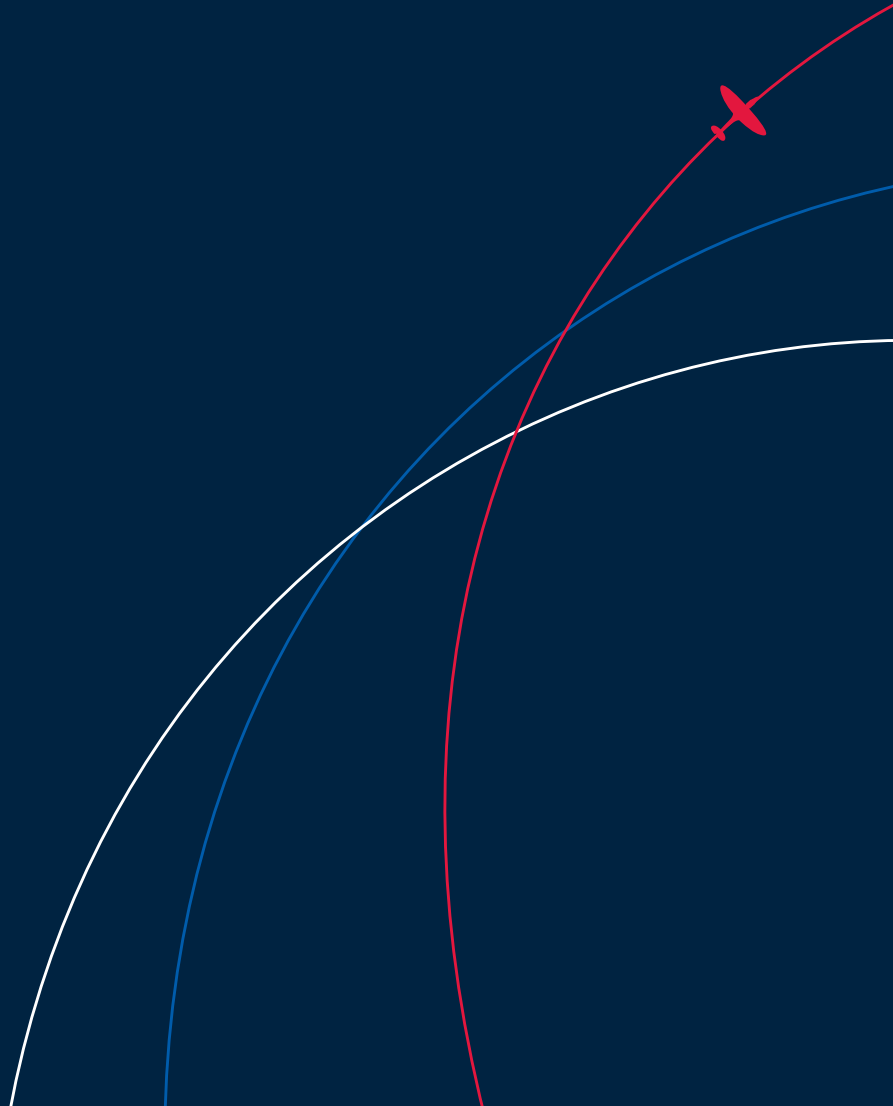


Royal Air Force
Benevolent Fund

ANNUAL REPORT

2022

TRUSTEES' REPORT AND ACCOUNTS FOR
THE YEAR ENDED 31 DECEMBER 2022



PRINCIPALS, TRUSTEES AND EXECUTIVE LEADERSHIP TEAM

PATRON

Her Majesty Queen Elizabeth II
(until 8 September 2022)

PRESIDENT

HRH The Duke of Kent
KG GCMG GCVO ADC(P)

LIFE VICE-PRESIDENTS

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

Air Chief Marshal Sir Michael Graydon
GCB CBE ADC FRAeS

Air Chief Marshal Sir Stephen Hillier
GCB CBE DFC MA

Air Chief Marshal Sir Richard Johns
GCB KCVO CBE FRAeS

Air Chief Marshal Sir Roger Palin
KCB OBE MA FRAeS FIPD

Lady Elaine Hillier

VICE-PRESIDENT

John Isabel

COUNCIL

Chair

Richard Daniel BSc (Hons) FRAeS¹

Deputy Chair

The Viscount Trenchard of Wolfeton DL

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Members as at 27 June 2023

(date report approved)

Wing Commander Sarah Davis MBA MSc
FCIPD²

Lady Elaine Hillier²

Wing Commander Marie-Noelle Orzel
OBE QVRM MSc PGDE RGN RSCN³

Alison Benjamin BA (Hons)⁴

Rachel Prendergast BA (Hons) MA⁴

Graeme Craig MA⁵

Air Marshal Richard Maddison OBE MA⁶

Air Chief Marshal Sir Richard Knighton
KCB FREng⁷

Stepped down during reporting period

Lawrie Haynes CBE DEng BA (Hons) FCILTR
FRSA (28 Jan 2022)

Air Marshal Andrew Turner CB CBE MA MSc
BA FRAeS CCMI RAF (11 Mar 2022)

Frances Brindle MSc BSc (Hons)
(28 Sept 2022)

Air Vice-Marshal John Cliffe CB OBE
(23 Oct 2022)

David Cheyne MA (Cantab) (31 Mar 2023)

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

1 Appointed 1 Feb 2022

2 Appointed 24 Jan 2022

3 Served until 30 Nov 2022. Reappointed 12 Dec 2022

4 Appointed 12 Dec 2022

5 Appointed 1 Apr 2023

6 Appointed 4 May 2023

7 Appointed 2 June 2023

BOARD OF TRUSTEES

Chair

Richard Daniel BSc (Hons) FRAeS¹

Honorary Treasurer

Alastair Irvine BA (Hons) MCSI

Trustees as at 27 June 2023 (date report approved)

Allyson Arnold MSc BScN (Hons)

Patrick Aylmer FCA

Alison Benjamin BA (Hons)

Richard Cryer MA (Cantab) FCA

Wing Commander Sarah Davis
MBA MSc FCIPD

Wing Commander Dr Sophie Allen
MBChB MRCGP DRCOG DFSRH
DOccMed DAvMed PGCME^{2,3}

Squadron Leader Clive Martland MBE²

Lady Meri Mayhew BA (Hons)²

Rachel Prendergast BA (Hons) MA²

Peggy Walters MA²

Graeme Craig MA⁴

Stepped down during reporting period

Lawrie Haynes CBE DEng BA (Hons)
FCILTR FRSA (28 Jan 2022)

Frances Brindle MSc BSc (Hons)
(28 Sept 2022)

Sarah Casemore MBA (25 Feb 2022)

Air Vice-Marshal Elaine West CBE
(23 Apr 2022)

Wing Commander Marie-Noelle Orzel OBE
QVRM MSc PGDE RGN RSCN⁵ (30 Nov 2022)

David Cheyne MA (Cantab)⁶ (31 Mar 2023)

1 Appointed 1 Feb 2022

2 Appointed 30 Sept 2022

3 Safeguarding Lead Trustee from 1 Dec 2022

4 Senior Independent Trustee from 1 Apr 2023

5 Safeguarding Lead Trustee until 30 Nov 2022

6 Senior Independent Trustee until 31 Mar 2023

EXECUTIVE LEADERSHIP TEAM

Controller

Air Vice-Marshal Chris Elliot CB CBE DL

Director of Resources

Victoria Akinboro BSc (Hons) ACMA CGMA

Director of Fundraising

Jason Shauness BEc (Hons) Grad Dip REM¹

Director of Grants, Services and Programmes

Air Commodore Simon Harper OBE²

Director of Strategy and Impact

Alison Wyman MSc BSc (Hons) CG (Affiliated)

1 Resigned 17 Mar 2023. From 27 Mar to 15 June 2023,
this role was undertaken by Air Commodore Paul
Hughesdon MA.

2 Appointed 9 Mar 2023. Air Commodore Paul Hughesdon
MA undertook this role until he resigned on 8 Mar 2023.

**Royal Air Force Benevolent Fund
Principal and Registered Office**
67 Portland Place,
London W1B 1AR

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THERE FOR THE RAF FAMILY, NOW AND INTO THE FUTURE



Photo: Rory Lewis

2022 was a very challenging year for the RAF, the country and the world.

Together with the whole nation, I was deeply saddened by the death of Her Majesty The Queen. The late Queen showed an inspirational sense of duty during her reign and, as the RAF Benevolent Fund's Patron from 1952, provided endless support for those who served her country.

Those serving in the RAF in 2022 found themselves operationally busier than they have been for more than 40 years and were at the forefront of support to the Ukraine government. Britain also faced the challenges of the cost-of-living crisis, while the legacy of Covid-19 continued to cast a shadow.

Through all these challenges, the RAF Benevolent Fund in 2022 stood shoulder to shoulder with more than 40,700 RAF veterans, serving personnel and their families, offering financial, practical and emotional support. Demand for assistance of all kinds was higher than ever.

At the beginning of the year the Fund launched its new five-year Shaping The Future strategy. This provides a robust foundation to meet the RAF Family's needs today and beyond. Its first year saw strong achievements, including distribution of £7.1M in grants to RAF Family members to pay for essentials such as energy bills and disability equipment.

As we go forward into 2023, the Fund, inspired by the late Queen's example of duty and devotion, stands ready to support anyone in the RAF Family in need, no matter what difficulties they face.

HRH The Duke of Kent
President, RAF Benevolent Fund
KG GCMG GCVO ADC(P)

ABOUT US

OUR VISION

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

OUR PURPOSE

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

OUR KEY WELFARE GOALS FOR THE RAF FAMILY 2022-2026



Improved access to personalised support



Improved quality of living



Increased independence



Enhanced wellbeing

OUR VALUES



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



People-focused
We put people at the heart of everything we do.



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



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



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

“The support the Fund has provided has been second to none, including converting my bathroom into a wetroom and providing me with an orthopaedic bed. I wouldn't have been able to get this far without it.”

Former RAF Sergeant Leroy Francis, who has multiple sclerosis, explains the difference equipment we provided has made to his life



PROGRESS AGAINST OUR STRATEGIC AIMS

In 2022 we were pleased to launch our new strategy, *Shaping The Future*, which will run through until 2026.

Our new strategy responds to the immense challenges and changes the RAF Family has faced in recent years, resetting our direction to make sure we can support veterans, serving personnel and their families for years to come. It builds on our previous short-term strategy which allowed us to be there for the RAF Family through the toughest times of 2020 and 2021.

Based on a review of data, research and analysis, plus the views of our staff and the people we help, *Shaping The Future* identifies the RAF Family's key needs and opportunities for us to meet them over the next five years, so we can continue to provide life-changing support.

THE CONTEXT FOR SHAPING THE FUTURE

The context for our new strategy includes:

- **The changing shape and needs of the RAF Family.** The RAF Family is both ageing and reducing in number, as many members get older and pass on. As people age, the complexity of their needs often increases. At the same time, the current economic climate is making life particularly challenging for working-age people. We know that in the coming years, the RAF Family will be a younger and more diverse community. Over the next few years, we have an opportunity to continue our focus on supporting older veterans, while helping everyone who needs our support.
- **Covid-19.** The pandemic had a huge impact on mental wellbeing and social isolation. These will likely be two of the most significant areas of need for the RAF Family

over the next few years. The pandemic's economic impact has also contributed to financial difficulties for people of all ages and in many cases has reduced the availability of local support services.

- **Digital.** Covid-19 greatly accelerated the trend towards delivering services digitally. This gives us opportunities to increase our use of data to make sure our services exactly meet the RAF Family's needs, to adapt our services to make them digitally accessible, and to use digital to make our organisation more effective and efficient.
- **The need to continue to work together with other organisations.** There are other military charities that support the RAF Family. We want to collaborate more with them and other partners within and outside the charity sector, where it helps us provide the best possible support for the RAF Family.
- **Financial sustainability.** In recent years we made a deliberate decision to increase our spending and draw on reserves to reach and support older veterans before they pass on. However, consistently spending more than we are able to raise is unsustainable. Ensuring our future financial sustainability has become a top priority.
- **The need to improve the RAF Family's journey to getting support.** Our research showed we could do more to help people navigate through their journey to getting support from us.

PROGRESS IN 2022

Our strategy sets out five areas we want to focus on between 2022 and 2026. We are delighted to have made significant progress in each of them this year. However, our ambition runs deep and we look forward to achieving even more in the years to come.

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

This year we supported more than 40,700 members of the RAF Family to improve their quality of living, increase their independence and enhance their wellbeing. 88% of people surveyed who we helped said our services were excellent or they were very satisfied.

These high rates of satisfaction link to our work in 2022 to increase access to personalised, tailor-made support for veterans, serving personnel and their families, no matter how complex their needs are. Throughout 2021 and 2022, we recruited six Welfare Navigators and six Welfare Support Executives. They are making the journey from contacting us initially to getting comprehensive support smoother and easier, and making sure we can meet even the most complex needs.

Our data shows our new approach is reaping rewards – read more about our achievements on page 14.

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

We know that our presence on the ground, in communities, helps us encourage more RAF Family members to come to us for support. It also allows us to closely monitor the needs of serving personnel, veterans and their families, so we can tailor our services to make sure they have the most impact on people's lives.

In 2022 we increased our team of Welfare Support Executives (WSEs), based across the UK, from three to six, with two new WSEs taking up posts in Scotland and one

in North West England. Part of their role is to work with RAF Family members to assess their needs and put in place personalised support plans. While volunteer caseworkers from the RAF Association (RAFA) and SSAFA still do much of this work, our WSEs deal with more complicated and complex cases. They also give us more capacity to support the RAF Family, and help people get support more quickly.

Our Community Engagement Workers (CEWs) are another crucial part of meeting this aim. They help RAF Family members to re-connect into meaningful and regular social activities, reducing loneliness and isolation. In 2022 with Covid-19 restrictions fully lifted, our CEWs were able to work at full pace again. We grew our team, adding posts in Kent and Nottinghamshire. Our CEWs began offering new social activities for isolated veterans and their families, including a group for carers at Imperial War Museum Duxford, jointly managed with the Royal British Legion, and a monthly lunch club in Bognor Regis, set up with RAFA.

60% of people who used the CEW service are now engaged in a regular, meaningful social activity – up significantly on 47% at the end of 2021. We are now working on implementing a new way of measuring our CEWs' impact, looking at their effect on levels of loneliness, not just numbers of people engaged in activities.

Our group wellbeing breaks are another way we connect with RAF Family members out in the community. Our welfare services team held three breaks in 2022 offering retired RAF Family members the chance to get away, meet new, likeminded people from RAF backgrounds, relax and improve their mental and physical health. 88% of people surveyed who took part said the break made a positive difference to their life.

In 2022 we also began to look at how we can use volunteers more effectively to complement our work. We have recruited a volunteer manager to lead on this.

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

We are aiming to grow our fundraising income from £16.3M in 2021 to £20.1M by 2026, to make sure we can continue to support the RAF Family when they need it most, and to make the Fund sustainable for the future.

In 2022 we developed our plans to increase our income, although our delivery was weakened by difficulties in recruiting staff. This means that we are little behind where we wanted to be. However, we raised £16.7M from donations and legacies to improve the lives of the RAF Family. This was up £0.4M on our fundraising total in 2021. You can read more about our fundraising in 2022 from page 21.

To help us raise money, we focused on raising awareness of the Fund. We were mentioned more than 2,100 times in newspapers, magazines and in digital and broadcast media in 2022. We also produced podcasts and films to showcase our work, while our garden at the 2022 RHS Chelsea Flower Show, funded by Project Giving Back, helped raise our profile too.

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

We want all our decisions about how we support the RAF Family now and in the future to be based on solid evidence and data, so we know we are doing our best to meet their needs.

In 2022 we made good progress in achieving this. For example, we worked with RAF stations and units all over the UK to do an analysis of their needs, giving us more insight into the serving community.

We used insights and data to improve many of our services, including what we offer through the Disabled Holiday Trust and the process for serving personnel to apply for our support. We also commissioned an external consultancy to review how our Housing Trust works.

We released an important new piece of research too. Our Gambling and Wellbeing in the RAF report showed a heightened risk of gambling problems among serving RAF personnel. This research led us to work in partnership with the RAF on an important campaign to raise awareness among serving personnel of problem gambling. A project is now underway to comprehensively survey awareness of safer gambling across the Armed Forces and to better identify opportunities for help and support.

Also new for 2022 were Airbreaks – residential breaks for children taking part in our Airplay clubs on RAF bases. We ran two breaks as a pilot for around 190 children, who thoroughly enjoyed the experience. We completed research during the breaks, were impressed by the results and have agreed to roll out Airbreaks in 2023.

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

We worked hard in 2022 to partner and collaborate with other organisations, where this benefits the RAF Family and makes us more efficient.

We made a successful joint bid with RAFA to the Armed Forces Covenant Fund Trust for funding to provide events to support comradeship, mental health and wellbeing for veterans of operations in Afghanistan and Iraq. We carried out research into the best format for these events in 2022 and will launch pilot events in 2023.

We strived to make sure other organisations, including SSAFA, RAFA, Haig Housing, housing provider Stoll and the RAF HIVE Service, were fully informed about what the Fund offers and able to refer RAF Family members to us. Attending regional events and giving presentations to veterans' associations also helped spread the word about how we can help the RAF Family.

Sharing knowledge and insights with other service charities helps us all cut costs and provide better support for everyone in the Armed Forces community. In 2022 we developed and launched our new online application portal with the Royal British Legion. It allows people applying for our support to manage their own application, so they can get help more quickly and easily. We then supported the Royal Naval Benevolent Trust (RNBT) to adopt the same system.

We also shared our processes for and experience of giving out grants with RNBT to help them review their own grants process. In addition, we shared learning with the Royal Navy and Royal Marines Charity about how we can best support people leaving RAF service. We also set up a working group for military charities to share knowledge about benefits advice. We joined the Department for Work and Pensions' Operational Stakeholders Engagement Forum to ensure the RAF Family's voice is heard in policy around benefits too.

To streamline costs, we share the platform we use to record information about the people we help with other service charities. We worked with them to update this system in 2022.

2022: OUR KEY STATISTICS

£17.5M
spent reaching
40,700+
members of the
RAF Family



£5.3M
spent reaching
24,000+
serving personnel
and their families



£12.2M
spent reaching
16,700+
veterans and their
families



96%
said we
improved
their quality
of life



88%
said our services
were excellent or
they were very
satisfied



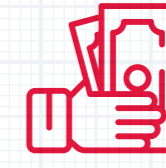
£16.7M
raised from
legacies and
donations



81%
said we met
all or most of
their needs



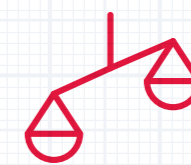
We supported
4,500+
people by giving
them information
or answering their
enquiry



We gave
6,900+
people financial
assistance to help
them through tough
times



Our wellbeing
services supported
13,800+
people



We gave
2,000+
people advice and
advocated for them
on issues including
benefits and care,
alongside legal advice



We helped
3,600+
people through
grants we
gave to other
organisations



We helped
10,100+
people through
grants we gave
to RAF stations



46%
increase in
enquiries
about financial
assistance



52%
rise in people
using our
Listening and
Counselling
Service

PROGRESS AGAINST OUR WELFARE GOALS



WELFARE GOAL 1

Offering better access to personalised support

We want every member of the RAF Family in need to be able to get tailor-made support from us quickly and efficiently. Ensuring this is a key part of our new strategy – and we have achieved a lot in our first year.

In 2021 our research showed opportunities for us to make it smoother and simpler for people to access the right support for them. We have been striving since to seize these. At the heart of this work are our six Welfare Navigators, three recruited in 2021 and three in 2022. They focus on giving anyone who gets in touch with the Fund a smooth journey to support.

In 2022 we started to see the fruits of their work. 76% of people surveyed who contacted the Fund about support said they were 'very satisfied' or 'satisfied' with their initial contact, up from 53% in 2019. Before our new strategy, only 33% of people who enquired about and were eligible for support from the Fund ended up receiving it. In 2022 we had increased this to 72%, thanks in part to our Welfare Navigators' work.

Our six Welfare Support Executives (WSEs), again all recruited in 2021 and 2022, are

based across the UK, ready to help people with multiple and more complex problems, including serious debts, homelessness and mental health issues, to create tailored, holistic support plans. We still rely on and are grateful for volunteer caseworkers from RAFA and SSAFA to do much of this work. However, having our own specialist caseworkers in the form of WSEs has boosted our capacity to support the RAF Family.

WSEs are also helping RAF Family members receive support more quickly, taking an average of 30 days to turn an initial enquiry into an application for support. 97% of people surveyed who received support from a WSE between October and December 2022 said they were 'very satisfied' or 'satisfied'.

Our work to increase access to personalised support has meant we are meeting more of the RAF Family's needs, more quickly and increasing their satisfaction. In 2022 96% of people surveyed who we helped said their quality of life had improved 'a lot' or 'quite a bit'. 81% said we had met all or most of their needs.



WELFARE GOAL 2

Improving the RAF Family's quality of living

Times are tough. As the cost-of-living crisis hit hard in 2022 we were there for veterans, serving personnel and their families with grants and advice to help pay for essentials and relieve stress.

Demand from the RAF Family for our financial support grew sharply in 2022 with enquiries about this up 46% compared to 2021. We were ready to respond, giving over 4,800 individual grants totalling £4.1M to veterans, serving members of the RAF and their families to support them through financial crises. These included spending £312K on our new home fuel grants scheme, which we introduced in April as energy prices rocketed.

With serving personnel not immune to the cost-of-living crisis, we helped 7% more working-age members of the RAF Family with grants compared to 2021. 96% of people who received a financial assistance grant said it improved their quality of life.

We also offer grants to help RAF Family members with house repairs and to pay for essentials like a new boiler or handrails. 97% of people surveyed who received a housing-related grant in 2022 said it improved their day-to-day living. Another area we help with

is topping up care home fees, so RAF Family members can live in comfort in the best home possible. We spent £374K on this in 2022.

Many people looked to the welfare benefits system for support through the cost-of-living crisis in 2022. Our Benefits Advice Service was on hand with help to navigate this sometimes-tricky area. Our team identified £2.5M in unclaimed benefits – up 20% on 2021. 90% of people surveyed who used the service said it was 'excellent' or they were 'very satisfied' with it. 71% were able to make a benefits claim thanks to the advice they received.

We also supported the RAF Family with our free legal advice helpline, which offers guidance on issues from employment to family law. 84% of people surveyed who used the service said they were 'very satisfied' or thought the service was 'excellent'.

Through our Housing Trust, we provide suitable housing for veterans and serving RAF personnel who have experienced life-changing injuries and need to leave the service early. In 2022 more than 400 RAF Family members were living in our Housing Trust properties.

76%
'very satisfied' or
'satisfied' with their initial
contact with the Fund –
up from 53% in 2019

97%
supported by our
Welfare Support
Executives 'very
satisfied' or 'satisfied'

£5.3M
spent to improve
5,700+ RAF Family
members' quality
of living

96%
of people said their
financial assistance
grant improved their
quality of life

£2.5M
identified in
unclaimed benefits
– up 21% on 2021

WELFARE GOAL 3



Increasing independence

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

In 2022 we spent £3.1M supporting more than 2,100 members of the RAF Family to increase their independence.

A key part of this work is paying for mobility and care equipment, so people can safely and comfortably stay in their homes as long as possible. We spent £1.7M on this in 2022, and 95% of people surveyed who received equipment said it contributed to their comfort, while 87% reported that they used the equipment every day or most days.

We can also help pay for care at home and for respite breaks so RAF Family members can remain in their homes. This year we gave £127K and £19K respectively so RAF Family members could benefit from these.

Our spend on care at home was 42% lower than in 2021, largely due to the national shortage of carers. This has led to people having to make do with care from family or friends, or move into care homes or sheltered accommodation.

We specialise in providing advocacy in a number of areas too, including care services issues. We can act on behalf and argue in favour of RAF Family members facing problems including getting a care assessment, funding for care and more. We supported over 300 people in 2022 helping them save or access £689K in statutory support. 92% of those surveyed said our help had benefited them or a member of their family, while 54% said they got the result they wanted thanks to speaking to our service.

Another key area of work for us is providing grants to help RAF personnel leaving the service find employment and to support children who have lost a serving parent. In 2022 we spent £99K to help more than 110 people in these ways.

£3.1M
spent on increasing
2,100+ RAF Family
members' independence

95%
said mobility and
care equipment
we provided
contributed to
their comfort

£640K
spent to repair
and adapt
housing

WELFARE GOAL 4



Enhancing wellbeing

From our Listening and Counselling Service to relationship support, our Telephone Friendship Groups to our Airplay programme for children and young people, enhancing the wellbeing of the RAF Family is at the heart of what we do – especially in these turbulent times.

In 2022 we supported more than 13,800 veterans, serving personnel and their families (2,000 more than in 2021) to improve their mental wellbeing, find friendships and connections and improve their relationships.

IMPROVING MENTAL HEALTH

Our Listening and Counselling Service helped more than 2,200 people over the year to work through their problems, a 52% rise on 2021. 92% of those surveyed said the counselling had a positive impact on their life, while 69% showed a reliable clinical improvement in their mental health.

We also enabled over 1,200 people to receive relationship support through Relate, 17% more than in 2021. 83% said their situation was 'much better' or 'better' thanks to this support. In addition, our specialist counselling service for children and young people aged 5-18 supported more than 200 people. 70% of those helped felt the service had positively changed things for them.

For serving personnel and their partners, we offer free membership of Headspace, the meditation and mindfulness app. It provides practical tips and exercises to relieve stress – helping to stop more serious mental health problems developing. More than 7,000 RAF Family members enjoyed Headspace in 2022, an increase of over 1,200 on 2021. 96% of users surveyed said the app had improved their quality of life, while 97% said it had a positive effect on their stress levels.

SUPPORTING CHILDREN AND FAMILIES

Our Airplay and Ben Clubs provide interesting and exciting activities for children and young people on RAF stations, working with new partners RAF Community Support and One YMCA. We are delighted with the progress this new partnership is making. The number of children taking part in 2022 rose 14% compared to 2021 to over 2,300 across 25 RAF stations, significantly above our target of 1,500.

Members enjoyed over 6,000 hours of fun activities, with parents giving Airplay 4.7 out of five stars. Our surveys showed 93% of Airplay members feel they belong in the group, 96% feel Airplay provides a good range of activities, and 93% of parents feel Airplay is helping their child be more confident.

£3.7M
spent on enhancing the
wellbeing of **13,800+**
RAF Family members

52%
rise in people
using our
Listening and
Counselling
Service

84%
of children who
attend our Airplay
clubs feel good
about themselves

We also continued our Thrive workshops for partners of serving RAF personnel to improve their wellbeing, resilience, employability and, ultimately, quality of life. 72% of attendees showed an improvement in their wellbeing, according to an emotional needs audit we did before and after the course.

BUILDING CONNECTIONS

Our previous research showed that at least 85,000 members of the RAF Family could be experiencing loneliness or isolation. Against the backdrop of the pandemic, we worked hard in 2022 to help veterans, serving personnel and their families build friendships and connections.

Our Telephone Friendship Groups are weekly calls between RAF veterans or their partners, facilitated by trained volunteers, helping people to connect with others and feel less lonely. In 2022 over 220 veterans took part in more than 1,500 calls, with 78% of participants surveyed saying it improved their happiness.

With the Covid-19 crisis receding, our Community Engagement Workers (CEWs) managed to support more than twice as many people in 2022 compared to 2021. They introduced over 260 RAF Family members to meaningful, regular social activities. We now have CEWs in Cambridgeshire, Norfolk, Suffolk,

Lincolnshire, West Sussex, Hampshire, Kent and Nottinghamshire. 60% of people supported by CEWs now take part in regular meaningful social activity, a significant rise from 47% in 2021.

PROVIDING BREAKS

When life gets difficult, a spell away from home can help enormously. We offered serving families discounted or free UK breaks in 2022 giving them the chance to relax and recover from the stresses of everyday life. 88% said they were 'very satisfied' or 'satisfied' with their holiday. Some of these families enjoyed a break at The Folly, our new holiday bungalow in the seaside town of Bridlington, opened in 2022.

We also organised three group wellbeing breaks in 2022, bringing retired members of the RAF Family together for some time away to make new friends and relax. 100% of participants surveyed said they were 'very satisfied' or 'satisfied' with their break, and 88% reported a significant or somewhat significant improvement to their emotional wellbeing.

Our Disabled Holiday Trust offers accessible holiday accommodation for people with physical disabilities. 99% of people who enjoyed a break through the Trust in 2022 felt it had benefited an area of their life.

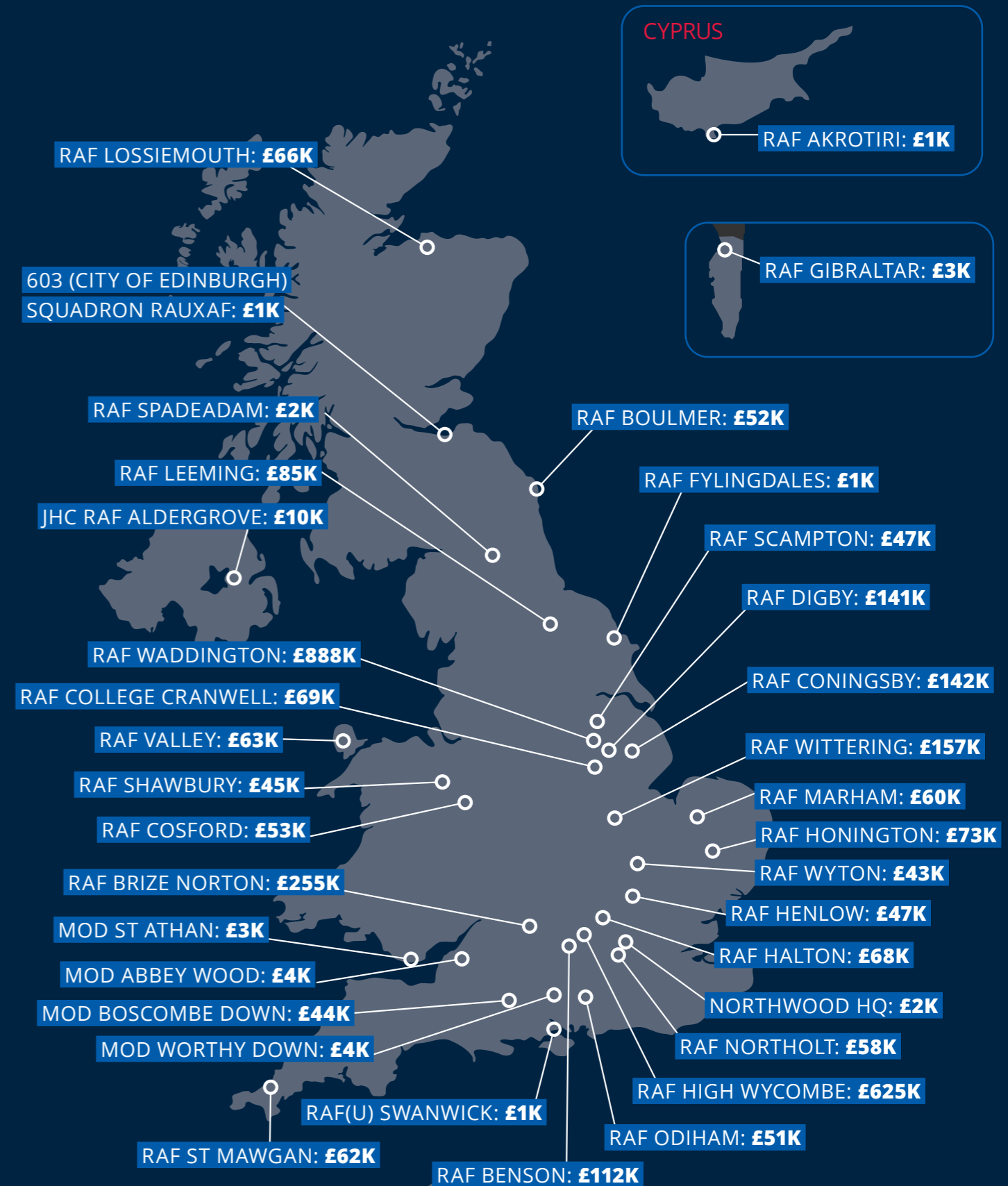
83% said their situation was 'much better' or 'better' thanks to relationship support

1,200+ more RAF Family members benefiting from Headspace membership vs 2021

88% said they were 'very satisfied' or 'satisfied' with our free or subsidised breaks

SUPPORT FOR STATIONS

In 2022 we supported **10,100+** serving personnel and their families by giving **£4.5M** through RAF stations to fund facilities, activities, programmes like Airplay and individual grants





Working in partnership

EXTERNAL GRANTS

Every year we give grants to charities and other organisations who provide direct and targeted assistance to the RAF Family, including support with employment, homelessness and substance misuse.

In 2022 we gave

£476K

to 29 organisations, including:

Care for Veterans	£18K
The Poppy Factory	£15K
Defence Medical Welfare Service	£13K
Forces Employment Charity	£50K
Fighting With Pride	£17K
Poppy Scotland (Armed Services Advice Project)	£15K
We Are With You	£10K
Walking With The Wounded	£10K
RAF Widows' Association	£34K
Veterans Outreach Support	£9K
Broughton House	£18K
Combat Stress	£88K

OUR CASEWORKING PARTNERS

To supplement our own caseworking capability, we work with several organisations that investigate cases and distribute grants to the RAF Family on our behalf.

In 2022 we approved

£8.6M

in grants for our caseworking partners to distribute. The following partners distributed grants over £60K, which in total made up 71% of the distribution:

Royal Air Forces Association	£4M
SSAFA	£1.4M
The Royal British Legion	£394K
Royal Commonwealth Ex-Services League	£162K
The Royal Canadian Legion	£107K
Age in Spain	£62K



Fundraising

In 2022 we raised £16.7M to support RAF Family members in need – £0.4M more than in 2021. It was only thanks to this incredible generosity from our supporters that we were able to offer life-changing financial, practical and emotional support to more than 40,700 veterans, serving personnel and their families throughout the year.

While the waves from the Covid-19 pandemic began to subside in 2022 other challenges arrived in its wake, including the cost-of-living crisis and war in Ukraine. We continued to respond and adapt quickly to the changing fundraising landscape and are very grateful to our supporters for digging deep to support us and the RAF Family during these difficult times.

CORPORATE PARTNERSHIPS

We were proud to have continued support from a number of long-term supporters in 2022 including MBDA UK, BAE Systems and Midshires Mobility Group. Our new corporate partner, Exolum, sponsored our annual Bomber Command Memorial Service, where we paid tribute to the brave air crews who made the ultimate sacrifice in the Second World War.

With generous backing from other sponsors, including Lockheed Martin, our 2022 Awards gave us the opportunity to thank supporters, fundraisers, stations and youth workers for their amazing achievements in supporting our work.

TRUSTS AND FOUNDATIONS

In 2022 we were extremely fortunate to receive over £800K from grant-making trusts and foundations.

For example, the Wimbledon Foundation continued to generously support Airplay, our flagship youth support programme, awarding £50K, ensuring that RAF children and young people have a safe, supportive and fun space in which to thrive.

SUPPORT FROM THE SERVING RAF

Serving personnel continued the tradition of looking after their own, recognising the support we can offer to them in their time of need. 70% made a monthly gift to us through the Service Day's Pay Giving scheme, contributing an amazing £1.6M in 2022.

Despite the continued Covid-19 restrictions and busy operational tempo, serving personnel at RAF stations across the UK went above and beyond to raise funds to support those in need. This included bucket collections at the RAF Odiham Families Day and 92 runners taking part in the RAF



"It's been life-changing for me and my family, and it's given me a lot more self-esteem."

Tony, one of the almost 30 wounded, sick or injured RAF veterans The Poppy Factory supported to find employment in 2022 thanks to a £15K grant we provided to the organisation

£16.7M
total raised

£11.6M
received from legacies

£1.6M
received from the Service Day's Pay Giving scheme

Waddington Jubilee 10K. We are incredibly grateful to every single member of our serving RAF Family who supported and promoted the Fund in 2022.

INDIVIDUALS

Thank you to the thousands of supporters who made donations to the Fund or raised sponsorship from a wide range of events this year. We greatly appreciated the continued generosity of our long-standing supporters such as Mr and Mrs C Blowers, Mr Duncan Barber and Melissa John, and every one of the 2,000 supporters who contributed a total of £112K to our Christmas Appeal.

We are also very thankful to the 2,500 people who started to support the Fund at this difficult time, for the first time, after they requested one of our pin badges or limited-edition window stickers.

LEGACIES

In 2022 we were extremely grateful to receive £11.6M in legacies, up from £11.5M in 2021. This represents the largest form of income for us and we are deeply indebted to the people who choose to support us in this selfless way, helping to ensure we are here to look after the RAF Family for generations to come.

FUNDRAISING COMPLIANCE AND SUPPORTER PROMISE

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

We also comply with the regulatory standards for fundraising, including guidance published by the Charity Commission. We are registered with the Fundraising Regulator and are committed to the Fundraising Promise, compliance with the Fundraising Preference Service and adherence to the Code of Fundraising Practice. In 2022 we paid the Fundraising Regulator's Fundraising Levy, a voluntary payment to help fund the organisation to regulate the charity sector's fundraising activities.

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

We believe in being transparent in how we raise money and spend donations, and the impact this makes on the RAF Family. We take this responsibility very seriously.

In all that we do, we aim to meet the highest standards, so that supporters and volunteers are able to give to and fundraise for us with confidence and trust that their hard work will make a difference.

We are open, honest and transparent

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

We are respectful

In our fundraising materials, or in conversation, we show respect and we promise never to pressurise anyone to make a donation. We are particularly sensitive when engaging with vulnerable people, including those who are elderly.

Importantly, we do not and never have shared our supporters' details with any other charity or business. Following the introduction of the General Data Protection Regulation in 2018, we only communicate with supporters who have given us express permission to maintain contact with them. We keep supporters up to date with our work in a way and at times that suit them. If any supporter prefers a reduced level of contact, they only have to let us know and we will respond to their wishes.

We are accessible

We want to make it easy for anyone to get in touch with our fundraising team. Whether they want to update their contact preferences or ask a question about our work or how we spend their donation, we welcome their phone call, email or letter. We have a complaints procedure should a supporter be unhappy or have concerns about any of our fundraising activities. This is available on our website or by contacting the fundraising team at hello@rafbf.org.uk.

We will help supporters to take their complaint to the Fundraising Regulator if they feel we haven't responded suitably. We record all complaints we receive in response to our fundraising. During 2022 we received three complaints (2021: 11) of which two were of a minor nature and quickly resolved. The other complaint, also minor in nature, was rejected. There were no instances we referred to the Fundraising Regulator in 2022.

RELATIONSHIPS WITH FUNDRAISING SUPPLIERS

We employ external agencies to add additional expertise or capacity when and where needed. This is more cost-effective than trying to do everything ourselves. We appoint these agencies through a competitive tendering process. We also put in place a contract and an agreed Service Level Agreement for the work they will carry out for us, carefully ensuring they provide the same high standards as our in-house team.

£1.5M
received from
partners, trusts
and major donors

£1.8M
received
from other
donations

£0.2M
received from
fundraising events
and trading
activities

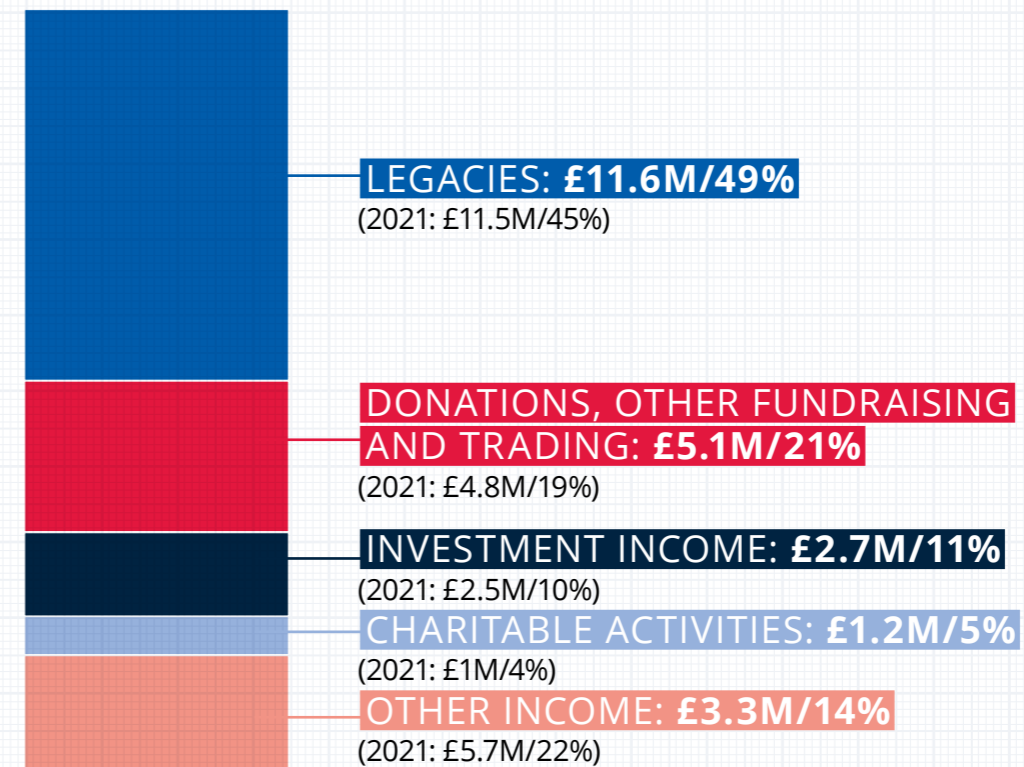
THANK YOU TO OUR DONORS

We are extremely grateful to the following trusts, companies and committed individuals who gave us significant levels of support in 2022:

- | | |
|--|---|
| 2Excel Aviation (The Blades) | Loppylugs and Barbara Morrison Charitable Trust |
| Ada Hillard Charitable Trust | Knight Sportswear |
| Adrian Swire Charitable Trust | Lockheed Martin UK |
| The April Fools' Club | MBDA UK |
| Armed Forces Covenant Fund Trust | Donagh McCullagh |
| Babcock International Group | Medlock Charitable Trust |
| BAE Systems | The Mercury Foundation |
| B and Q Foundation | Midshires Mobility Group |
| Duncan Barber and Jane Burrows | Mrs Mary Stephanie Warren-Coleman Charitable Trust |
| The Beaujolais Run® | National Lottery Community Fund, Young Start programme |
| Bill Brown's 1989 Charitable Trust | Dr Michael Oliver OBE DL |
| Mr and Mrs Colin Blowers | Pilkington Charity Fund |
| Bradbury Family Trust | Proludic Ltd |
| Charles Burrell 2016 Charitable Settlement | RAF Habbaniya Association |
| Coysh Family Charitable Trust | Red Arrows Trust |
| Ray Daniels | Schroders Personal Wealth |
| Grayson Ditchfield | Scottish Government Armed Forces Third Sector Resilience Fund |
| Dyers' Company | Sir Donald and Lady Edna Wilson Charitable Trust |
| Exolum International UK | Thales Charitable Trust |
| Pascal Fournier | Westwood Charitable Trust |
| Identity Group | Wimbledon Foundation |
| The Inter-Livery Target Rifle Shoot | |
| John Isabel | |
| James Weir Foundation | |
| J H Bartlett Charity Trust | |
| John James Bristol Foundation | |
| Laurence Masters Will Trust | |

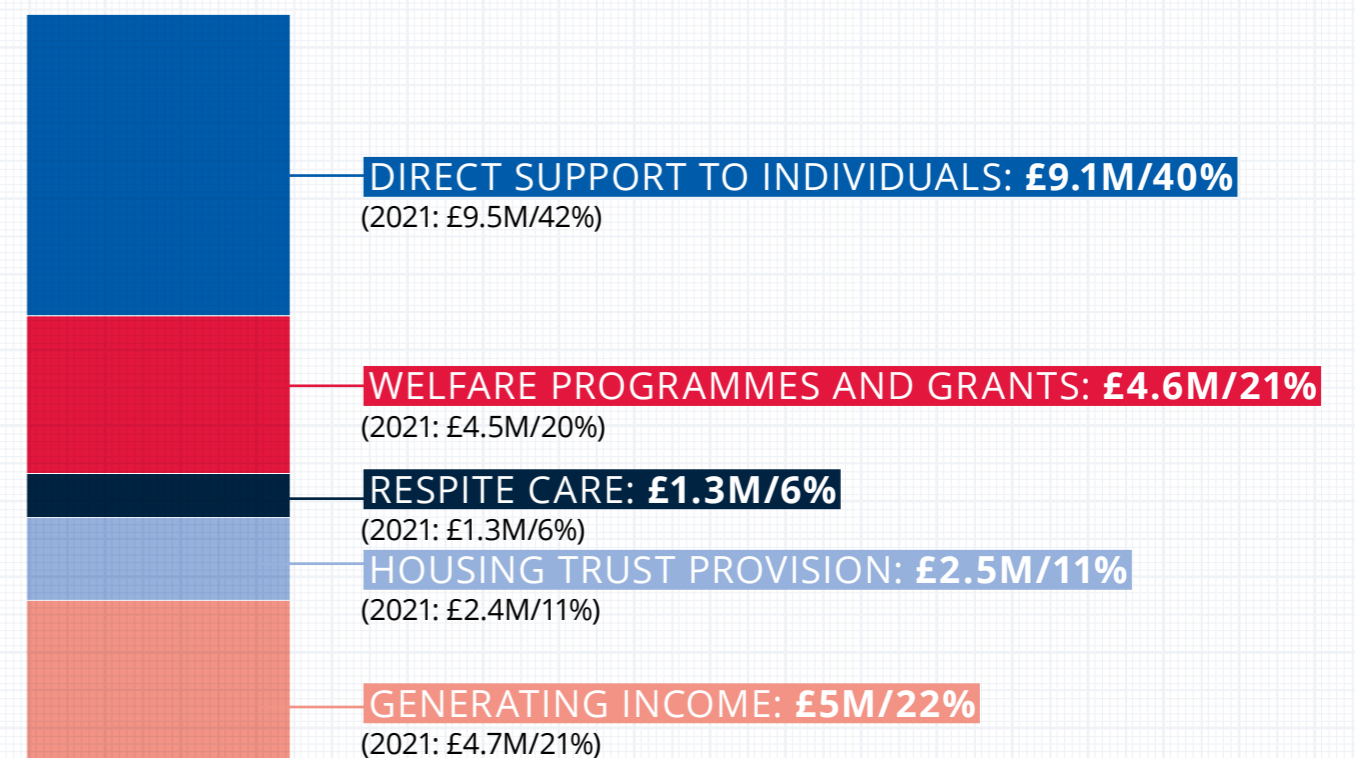
FINANCIAL HIGHLIGHTS

Total income: £23.9M* (2021: £25.5M)



*Income from legacies and fundraising was £16.7M, 70% of total income generated.

Total expenditure: £22.5M (2021: £22.4M)



Financial review

OVERVIEW

One of the aims of our new five-year Shaping The Future strategy is being sustainable for the future. As we reported last year, we are determined to have a financially sustainable model that will allow us to continue supporting the RAF Family for many years to come.

We entered 2022 aware of some major risks that could make a significant impact on our financial outcomes in the year. These included high energy prices, rising inflation, the cost-of-living crisis, higher interest rates, a challenging labour market and volatility on the investment markets. These factors had the potential to drive up demand for our support and services on one hand while inhibiting our ability to generate income on the other.

Despite the challenging environment we were able to generate total income of £23.9M (2021: £25.5M) in 2022. Total income in 2021 included £4.2M received from the disposal of Princess Marina House and when this is taken into account, we saw an overall increase in income from normal activity. Key contributors included legacy income and property disposals. Our legacy income performance is reflective of a successful year for legacy bequests in the charity sector.

We saw a significant increase in demand for some of our core welfare support, such as wellbeing services and grants. The former saw the single largest increase in demand. The cost-of-living crisis led to an increase in the number of working-age RAF Family members we supported through grants compared to 2021. Total expenditure at £22.5M was 1% higher than the previous year. While we saw significant increases driven by more demand and higher costs, we offset these with lower expenditure in other areas.

Our overall net income before investment market losses was £1.4M (2021: £3.2M). The value of our investments fell by £8.7M (2021: increased by £6.6M).

INCOME

Our total income in 2022 was £23.9M, £1.6M (6.6%) lower than the £25.5M generated in 2021. The income generated included £3.1M (2021: £5.5M) of profit from the disposal of fixed assets. Before the profit on disposal of assets is taken into account, income was £20.8M (2021: £20.0M), a 3.9% increase year-on-year.

Fundraised income was £16.7M (2021: £16.3M). As mentioned above, 2022 was another good year for legacy income, raising £11.6M (2021: £11.5M), a 1.3% increase on the previous year. Legacy income made up 49% (2021: 45%) of total income in 2022.

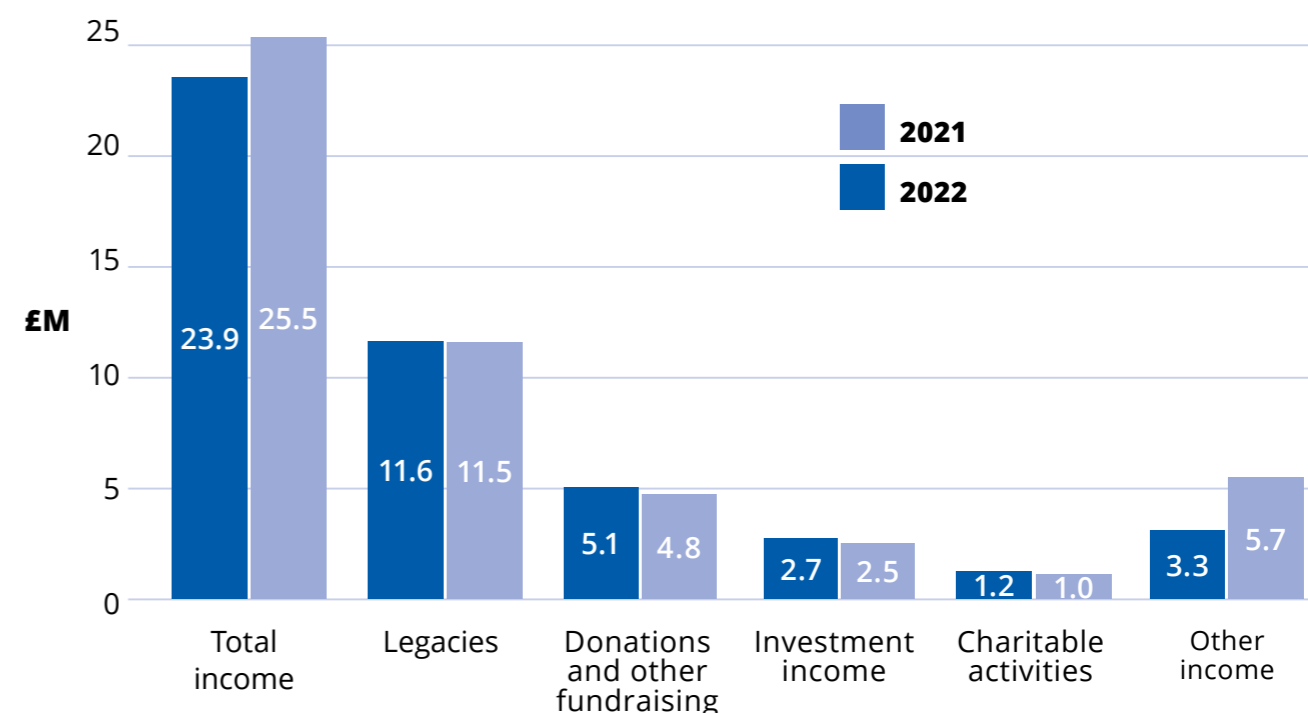
Donation income was £4.7M (2021: £4.2M) an 11.0% increase. This included £1.6M (2021: £1.6M) income from serving RAF personnel, through our Service Day's Pay Giving scheme. As in 2021, we saw mixed performances in the different aspects of our fundraising when compared to the previous year. We were able to recover some of the ground lost in 2021 due to the Covid-19 pandemic. However, we did face some challenges, such as difficulty in recruiting for fundraising roles because of labour market conditions. Trading activities generated £0.4M (2021: £0.6M).

In 2022 we used 81p in every pound raised from donations and legacies for charitable activities (2021: 81p). In addition, we invested 91% (2021: 100%) of the £1.2M (2021: £1.1M) generated from our charitable activities back into supporting the RAF Family. Most of this was rental income.

£22.7M/95% (2021: £24.6M/96%) of our total income was unrestricted, meaning our Trustees could decide how best to use resources and direct them where they were most needed.

Following careful consideration, we decided to sell our office property in Edinburgh, with a view to moving into modern, purpose-built, Equality Act 2010-compliant premises. We completed the sale during the year and

INCOME £23.9M



have put the £0.9M net proceeds into a designated fund to use when we determine the best way to fulfil the requirement for our presence in Scotland and when property market conditions are favourable.

We were able to maintain investment income, despite 2022 being a particularly difficult year for investors globally. Soaring inflation, the war in Ukraine, lockdown measures in China and monetary policy of central banks all resulted in negative returns. However, the investment managers for our long-term funds were able to maintain income distributions. Our medium-term investment strategy to invest in low-risk, quality, short-dated bonds also worked well, and gross income yield was £2.7M (2021: £2.5M).

EXPENDITURE

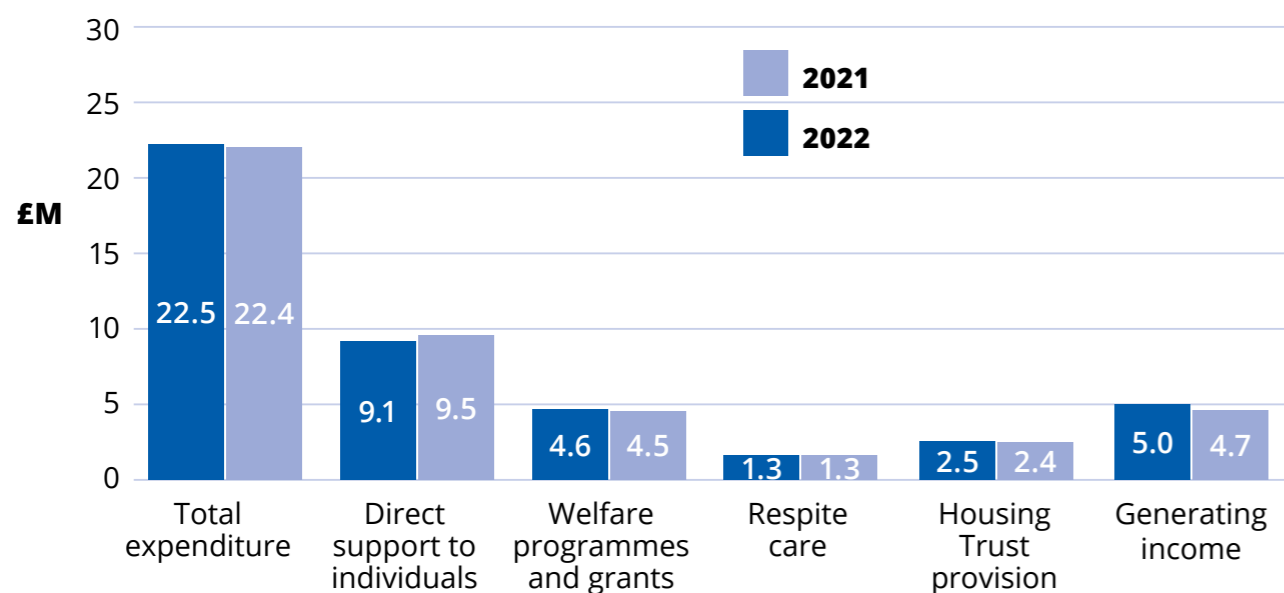
Total expenditure in 2022 was £22.5M (2021: £22.4M) a £0.1M/1% increase on the previous year.

Our charitable activities undertaken to provide welfare support and services to the RAF Family cost £17.5M (2021: £17.7M). This total includes support costs of £3.2M (2021: £3.3M).

The £17.5M included expenditure on direct support to individuals (2022: £9.1M/2021: £9.5M), welfare programmes and external grants (2022: £4.6M/2021: £4.5M), housing support (2022: £2.5M/2021: £2.4M) and respite care (2022: £1.3M/2021: £1.3M).

Wellbeing was the area that saw the largest single increase in support, with the main drivers being our Listening and Counselling Service and Headspace. Our wellbeing services, available to both serving personnel and veterans and delivered through contracts with other organisations, cost £1.1M (2021: £888K). Grant funding to support the veteran community was £476K (2021: £399K) and grant funding to the serving RAF was £255K (2021: £197K).

The cost-of-living crisis drove an increase in the number of working-age RAF Family members we supported financially in the year. Through our subsidiary the Dependants Fund, we paid £360K (2021: £280K) in death grants.

EXPENDITURE £22.5M

In 2021 housing support expenditure increased to £2.4M from £1.6M in 2020 due to Covid-related backlogs driving up demand for assistance and the shortage of building materials driving up costs. In 2022 the high volume and costs of property repairs continued to have an impact and housing support cost us £2.5M. In addition, we invested £0.9M in property purchases and adaptations. In providing this support we continued to focus on RAF Family members with the highest needs.

On the whole, our welfare support continues to be more complex than our expenditure shows.

Our ability to raise funds is critical to ensuring we are sustainable for the future. Three main areas of focus for us in 2022 were to increase our number of active donors, to grow our corporate and individual relationships, and to receive an optimum return on our investment in fundraising.

Income generation cost us £5.0M (2021: £4.7M), a £0.3M/7% increase on the previous year. The amount spent includes £1.5M support costs (2021: £1.4M). While we spent more year-on-year on raising funds, our 2022 expenditure was less than we planned. Staffing issues, mainly connected with

recruitment challenges, created vacancies and curtailed activity. For every £1 we spent on fundraising we received £3.54 in the year (2021: £3.66).

Support costs cover expenditure on management, IT, facilities, finance, HR, governance and information security. They also include the depreciation of fixed assets. This expenditure, which was allocated as mentioned above, came to £4.7M (2021: £4.8M), representing 21% of total expenditure and a 2% decrease from the previous year.

HOUSING AND LOANS

Through our subsidiary the RAF Benevolent Fund Housing Trust Limited, we provide bespoke housing solutions, at affordable rents, for service personnel who are medically discharged from the RAF and are unable to secure suitable accommodation. The rent we received in 2022 equated to just under 55% of the open market rent of these properties. We consider the income forgone to be a charitable expenditure, supporting the RAF Family members most in need. This effectively amounts to a subsidy of around £0.8M based on the £1M rent received. The Housing Trust owned 193 properties on 31

December 2022 (2021: 203). We purchased and adapted two new properties (2021: six) in the year, at a cost of £0.9M (2021: £2.1M) and sold 12 properties (2021: eight) realising £3.8M (2021: £2.2M) in sales proceeds and £2.1M (2021: £1.3M) in net gain.

We awarded £333K (2021: £131K) in new secured loans to RAF Family members. The interest we charge is much below market rates and we determine repayments on the basis of ability to repay the loan. We received £819K in loan repayments in 2022 (2021: £815K). The total value of loans to beneficiaries at the end of the year was £7.5M (2021: £7.9M). We proactively review our loan book to ensure that the value is not impaired, and we assess and report the recoverability of balances fairly.

INVESTMENTS

We invest to preserve the real value of funds we hold and to generate income that helps us support the RAF Family. We do so by adopting a managed, diversified portfolio that generates an appropriate return at acceptable levels of risk.

Our primary investment objectives are:

- To hold investments in a manner that will help us deliver our objectives in the short, medium and long term
- To earn a return of CPI plus 5%, ensuring that real capital value is preserved, and sufficient income is generated to contribute to funding our activities
- To measure overall performance against an agreed market-derived benchmark and use an industry-wide peer group benchmark to assess performance against the average
- To employ investment managers who generate low costs and develop relatively stable portfolios which meet the objectives of this strategy in the long term.

BlackRock Investment Management (UK) Limited and CCLA Investment Management Limited have managed our long-term portfolios since 2016. In 2019 we appointed Close Brothers Asset Management to

manage a bespoke portfolio invested in quality short-dated bonds to match our short- to medium-term cash requirements. Our primary medium-term objective is to ensure our cash requirements are met without undue exposure to investment risk, while still achieving good returns.

In 2022 assets held with fund managers were valued at £71.1M (2021: £82.6M). Income yield from these investments was £2.3M (2021: £2.2M).

2022 proved to be one of the most challenging market environments for investments in many years, leading to significant negative returns. The key challenges were high inflation, restrictive central bank policies, geopolitical tensions, a potential European energy crisis and the impact of all these on economic growth.

Our funds managed by BlackRock are held in the Armed Forces Charities Growth and Income Fund, a Charity Authorised Investment Fund (CAIF). This fund aims to provide a net return on investment over a period of five or more consecutive years beginning at the point of investment, generated through an increase to the value of the assets held by the Fund and income received from those assets. The value of our investments in this fund on 31 December 2022 was £19.2M (2021: £22.3M). The fall in value was due to market losses.

Over the year a net negative return of -10.6% (2021: 13.1%) was achieved compared to the benchmark negative return of -8.3% (2021: 12.9%). Total return over the five years to 2022 was 4.0%, compared to the benchmark return of 3.4%. Dividend yield in the 12 months to 31 December 2022 was 3.8% (2021: 3.2%).

Our funds managed by CCLA are held in COIF Charities Investment Fund. This fund is designed to provide capital growth and rising income over time. The portfolio is invested mainly in equities but also includes other asset classes and aims to provide a return that is even-handed between present and future beneficiaries.

The value of our investments in this fund on 31 December 2022 was £41.7M (2021: £47.2M). The fall in value was due to market losses.

Over the year, a negative net return of -9.0% (2021: 17.4%) was achieved against a negative return benchmark of -10.1% (2021: 17.0%). Total return annualised over the five years to 2022 was 7.5%, compared to the benchmark return of 4.3%. Dividend yield in the 12 months to 31 December 2022 was 3.0% (2021: 2.7%).

Assets held and performance indicators of our two long-term portfolios are summarised in the table below:

	BlackRock	CCLA
Value of assets invested	£19.2M	£41.7M
2022 income yield	3.8%	3.0%
2022 total return	-10.6%	-9.0%
2022 benchmark	-8.3%	-10.1%
Five-year total return	4.0%	7.5%
Five-year benchmark	3.4%	4.3%

Asset class breakdown as at 31 December 2022:

	CCLA	BlackRock
	%	%
Global equities	59.2	29.0
UK equities	9.2	26.8
Fixed income	4.9	16.6
Property	3.3	7.9
Cash and near cash	10.2	-
Infrastructure and operating assets	8.4	-
Private equity and others	2.7	-
Contractual and other income	2.1	-
Alternatives	-	19.7
	100.0	100.0

Our funds managed by Close Brothers Asset Management are invested in a low-risk bespoke portfolio of short-dated, high-quality corporate bonds with a maturity profile to meet liquidity requirements. The time horizon of the portfolio (the length of time money is expected to be invested) based on when and how much money is needed has determined the investment strategy. Since the inception of this portfolio all maturities have been met and the income paid in line with original expectations and requirements. By the end of 2022, the three-year time horizon of the portfolio was nearing its end. The value of the portfolio on 31 December 2022 was £10.2M (2021: £13.1M). The net yield on this portfolio in the year was 1.2% (2021: 0.4%).

The RAF Benevolent Fund is the sole Trustee of The Royal Air Force Disabled Holiday Trust (DHT). The DHT held property investments valued at £552K at the year end (2021: £546K). These assets are used to provide affordable breaks to DHT members.

Unrealised market losses on investments at the year end were £8.7M (2021: gains of £6.6M).

PENSION DEFICIT

Under FRS 102 the closed defined benefit pension scheme had a deficit of £3.1M (2021: £13.5M). The actuarial valuation of the scheme, updated to reflect funding progress, as at 31 October 2021 revealed a funding shortfall (Technical Provisions minus value of assets) of £8.6M. To eliminate this updated funding shortfall, the Staff Pension Fund Trustee and the Fund agreed that the Fund would pay deficit funding contributions to the scheme of £100K per month from 1 January 2021 until 31 October 2028. £1.2M was paid in 2022. The next triennial valuation will be as at 31 December 2023.

RESERVES

Total funds as at 31 December 2022 were £124.1M (2021: £122.0M). These comprised of unrestricted funds of £113.0M (2021: £109.2M), while restricted and endowment funds were £11.1M (2021: £12.8M).

Unrestricted reserves included operational assets of £34.6M (2021: £36.8M), designated funds of £27.9M (2021: £29.1M) and free reserves of £50.5M (2021: £43.3M).

Our commitment to support the RAF Family is a long-term one. It remains as firm today as it was in 1919. We will continue to stand beside the RAF Family for the next 100 years, through all of life's challenges and hardships. To honour this, we continue to take a risk-based approach to determining our free reserves minimum requirement. We must ensure funds are available to meet the demand for our welfare services and to secure, as far as possible, future financial viability. We continue to manage the risks associated with our 2022-2026 Shaping The Future strategy. These include the uncertainty of future income, particularly where we have realistic but ambitious targets, the timing of cash receipts from legacies and increasing welfare demand. We have also factored in our discretionary commitment to the Dependants Fund.

Free reserves as of 31 December 2022 were £50.5M (2021: £43.3M). The main reason for this increase is the £10M reduction in the pension deficit based on the FRS 102 valuation at the end of 2022. Trustees have determined that at this time, we should hold a minimum of £40M in free reserves to be assured that we are able to sustain the support we provide to the RAF Family in these unprecedented times and in the long term, as well as meet other obligations, irrespective of fluctuations in income and market conditions.

Designated funds were £27.9M (2021: £29.1M). £12.8M of this is funds to be spent on bringing forward welfare services included in our 2022-2026 strategic plan, so we can help beneficiaries earlier and

augment our core welfare offer, including respite, in response to identified need. Setting funds aside for our welfare provision continues to be important as we implement our strategy and achieve its goals in the current economic context of increased costs and a possible recession. This level of reassurance helped us move quickly to develop and launch our initiative offering up to £520 towards energy bills to RAF Family members in need during 2022.

£1.2M of the fund set aside for pension deficit recovery contributions up until October 2028 was paid out in the year, leaving a balance of £7.0M at the end of 2022 (2021: £8.2M).

£7.2M (2021: £8.1M) reserves of the Dependants Fund are set aside to meet our commitment to support RAF personnel who are subscribers to the Fund. The Dependants Fund reserves fell by £886K (2021: £1.1M gain) due to the £893K (2021: £958K gain) decline in the market value of investments and a £7.6K operating surplus (2021: £131K).

Restricted funds representing the unspent balance of funds received for specific charitable activities were £5.1M (2021: £5.9M). The largest single restricted fund of £2.8M (2021: £3.0M) is for the maintenance and upkeep of the Bomber Command Memorial.

Endowment funds include both permanent and expendable funds and were £6.0M (2021: £6.9M). These funds represent income donated to the Fund, but subject to the condition that the capital remains unspent. The decrease in the value of the fund was due to the £972K investment market loss at the end of the year (2021: £611K gain).

The Trustees are assured that we have adequate resources to continue to operate for the foreseeable future and we therefore continue to adopt the going concern basis in preparing our financial statements.

STRUCTURE, MANAGEMENT, GOVERNANCE AND RISK

REFERENCE AND ADMINISTRATIVE DETAILS

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

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

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

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

STRUCTURE AND GOVERNANCE

The Fund, which was set up in 1919, was incorporated by Royal Charter in 1999. Trustees are appointed by our Council for a four-year term. They are then eligible for re-election for up to a further four-year term. Trustees may not hold office for a continuous period of more than eight years without the consent of our Board.

Our Board of Trustees is made up of no fewer than 10 and no more than 15 Trustees. In 2022 we undertook a skills audit of our existing Trustees so we could understand

if we had any gaps in skills, background or experience we needed to fill to help us meet our strategic and operational goals.

Following this, and after a series of open selection campaigns, a selection panel (convened by our Nominations Committee) interviewed and recommended five new Trustees to join us in September 2022. Alongside our existing Trustees who have backgrounds, skills and experience in industry, law, commerce and other sectors, our five new Trustees include a serving Trustee, Trustees with lived RAF experience, a new Safeguarding Lead Trustee and a communications Trustee. Our Council (Advisory) formally elected these new Trustees in December 2022.

Throughout 2022, our Board (either as a whole or via its committees) continued to receive ongoing briefings and training from senior management and external advisers in critical areas such as risk management, reserves, fundraising practices, safeguarding and data protection.

We reviewed the terms of reference for our Safeguarding Lead Trustee (who changed during the year) in 2022. This Trustee advises our Board on all safeguarding matters and ensures that we comply with all legal and good practice requirements around safeguarding. We also reviewed the terms of reference for our Senior Independent Trustee (who also changed on 1 April 2023).

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

Leadership Team. Our Board also conducts annual performance reviews of our Controller and the Chair of the Board, and undergoes its own periodic Board appraisal. Our Controller, as our Chief Executive, is responsible for the day-to-day management of our affairs.

Our Board met four times in full session in 2022. It also met separately for an away-day strategy session.

During the year our Board Committees were:

- Finance, Audit and Investments Committee
- Fundraising, Communications and Engagement Committee
- Major Grants Committee
- Nominations Committee
- Remuneration Committee
- Small Grants Committee (dissolved in December 2022)
- Welfare and Safeguarding Committee.

We would like to say thank you to all our committee members for their advice and guidance during the year.

MANAGING RISK

Our Board of Trustees has overall responsibility for managing the risks the charity and its subsidiary entities face. Our Board delegates this responsibility, in part, to its committees. They receive regular reports and provide recommendations and updates to the Board about risks within their remit.

Our Board discusses strategic risk each time it meets. Our Executive Leadership Team also regularly assesses and manages risk. We undertook a fundamental review of our management of risk in 2022. The review has given us the resilience and agility to effectively manage uncertainty, make informed decisions, understand and minimise threats, seize opportunities and, most importantly, make the maximum possible positive impact on the RAF Family.

The strategic risks we face are:

Income and financial sustainability

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

We are mitigating this risk by focusing on growing our supporter database and developing our individual and corporate relationships.

We aim to deliver our core and augmented welfare offering within affordable budgets ensuring that all our work aligns with our strategic aims. We also have a robust risk-based reserves policy which we monitor regularly and review as appropriate.

Meeting the needs of the RAF Family

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

We mitigate this risk by continuing to strengthen our local community engagement and focusing on making the journey to receiving our support smoother through our Welfare Navigator and Welfare Support Executive programmes. We now have greater direct involvement with caseworking and have introduced an online application system to speed up the process for making small financial assistance applications. When awarding contracts to third-party suppliers we only work with those who share our values and have built in regular oversight of performance.

We use data and analysis to understand the needs of the RAF Family and the environment we work in. We also continue to engage closely with our sister charities to avoid overlap and competition as well

as promote collaboration and partnership working where possible.

Safeguarding and duty of care

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

We recognise that our new strategy includes getting closer to the people we support, which inherently increases the risk of a safeguarding concern.

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

Information and data security

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

We mitigate these risks by making sure our policies and procedures are up-to-date, compliant with legislation and the Information Commissioner's requirements and embedded with our staff. In 2022 we achieved Cyber Essentials Plus certification. Our staff all have to undertake annual mandatory training on data protection and the UK General Data Protection Regulation (GDPR).

Governance and compliance with regulatory requirements

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

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

Fund capability: people, leadership and culture

Staff turnover, recruitment and retention were key risks for the Fund in 2022. We mitigated these by keeping abreast of employment market conditions and reacting accordingly, including monitoring salaries and making sure our remuneration policy remained relevant and was complied with. We ensure our recruitment processes were effective, from advertising to selection and job offers and remain committed to developing our staff. We have a comprehensive benefits package in place and review this annually.

REMUNERATION POLICY AND REVIEW

We continue to be strongly committed to recruiting, developing and retaining staff with the right skills and knowledge to deliver our objectives and with the ability to make a positive contribution. We believe making effective decisions around remuneration and reward is crucial to achieving our overall aims.

Our remuneration policy centres on rewarding employees in a fair, equitable and transparent way, and aiming to pay competitively against our relevant competitors in the third sector.

We focus on a 'total reward' approach, recognising that broader aspects of employment offers including non-financial benefits such as flexible working and development opportunities, as well as the values we uphold as an organisation, are of increasing value to employees.

Our Remuneration Committee reviews our remuneration policy each year to make sure we are adhering to its principles and that

those principles are still appropriate. The committee also reviews our pension and broader reward provision and considers an annual pay award. The committee uses external expert analytics and benchmarks to make its recommendations, which it then submits to our Board of Trustees for approval.

We aim to match, where appropriate and affordable, competitive salaries based on current market conditions for any role.

In August 2022 our Remuneration Committee met to consider a one-off cost-of-living payment for eligible staff. This was subsequently approved by our Board in August 2022.

In reviewing salary recommendations for 2023, our Trustees considered the impact of a number of factors on staff, including the ongoing economic climate and rising inflation. As a result a 3% annual pay award was agreed alongside a further one-off cost-of-living award, both of which were paid in January 2023.

PRINCIPAL PROFESSIONAL ADVISERS

Independent external auditor

Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

Independent internal auditor (appointed 6 March 2023)

MHA MacIntyre Hudson
6th floor, 2 London Wall Place
London EC2Y 5AU

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Actuary

Broadstone Corporate Benefits Limited
55 Baker Street
London W1U 7EU

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Investment managers

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

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

Close Brothers Asset Management
55 Grosvenor Street
London W1K 3HY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Our Trustees are responsible for preparing our Trustees' Report and our financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires our Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Fund and the group and of the incoming resources and application of resources of the Fund for that period. In preparing these financial statements, our Trustees are required to:

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

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

2005 and the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

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

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

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

TRUSTEE DECLARATION

Trustees hereby approve the 2022 Annual Report on 27 June 2023.



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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES

OPINION

We have audited the financial statements of the Royal Air Force Benevolent Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise of the consolidated statement of financial activities, the consolidated and charity balance sheets, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the affairs of the group and the parent charity at 31 December 2022 and of the group's incoming resources and application of resources for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- Have been prepared in accordance with the requirements of the Charities Act 2011; and
- Have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- The parent charity's financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the group and parent charity financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee

that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified:

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

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

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting

from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

USE OF OUR REPORT

This report is made solely to the parent charity's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the parent charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

71 Queen Victoria Street, London EC4V 4BE

Date: 24 July 2023

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

FINANCIAL STATEMENTS

Consolidated statement of financial activities

For the year ended 31 December 2022

	Note	2022				2021			
		Unrestricted funds	Restricted funds	Endowed funds	Total	Unrestricted funds	Restricted funds	Endowed funds	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from									
Donations and legacies		15,430	901	-	16,331	15,028	685	-	15,713
Charitable activities		1,134	-	-	1,134	1,030	20	-	1,050
Other trading activities		399	-	-	399	547	19	-	566
Investments		2,480	225	-	2,705	2,268	216	-	2,484
Other income		3,284	-	-	3,284	5,715	-	-	5,715
Total income	2	22,727	1,126	-	23,853	24,588	940	-	25,528
Expenditure on raising funds		5,000	13	-	5,013	4,683	19	-	4,702
Expenditure on charitable activities									
Direct support to individuals		8,541	512	-	9,053	8,970	513	-	9,483
Welfare programmes and grants		4,111	449	-	4,560	4,199	312	-	4,511
Respite care		1,104	217	-	1,321	1,163	114	-	1,277
Housing Trust support		2,256	281	-	2,537	2,318	68	-	2,386
		16,012	1,459	-	17,471	16,650	1,007	-	17,657
Total expenditure	3	21,012	1,472	-	22,484	21,333	1,026	-	22,359
Net income/(expenditure) before gains on investments		1,715	(346)	-	1,369	3,255	(86)	-	3,169
Transfers between funds		47	(47)	-	-	4	(4)	-	-
Net (losses)/gains on investments	11	(7,358)	(322)	(972)	(8,652)	5,790	221	611	6,622
Net income/(expenditure)		(5,596)	(715)	(972)	(7,283)	9,049	131	611	9,791
Other recognised gains and losses:									
Actuarial gains/(losses) on defined benefit pension scheme	15	9,441	-	-	9,441	2,266	-	-	2,266
Net movement in funds		3,845	(715)	(972)	2,158	11,315	131	611	12,057
Total funds brought forward		109,174	5,859	6,930	121,963	97,859	5,728	6,319	109,906
Total funds carried forward	23	113,019	5,144	5,958	124,121	109,174	5,859	6,930	121,963

The notes on pages 45 to 77 form part of the financial statements. All amounts relate to continuing operations. All gains and losses recognised in the year are included in the statement of financial activities.

Consolidated and charity balance sheets

As at 31 December 2022

	Note	Group 2022	Group 2021	Charity 2022	Charity 2021
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	9	35	187	35	187
Tangible assets	10	27,073	28,663	4,630	4,878
Investments	11	71,639	83,114	64,847	75,429
Loans to beneficiaries	12	7,486	7,948	7,486	7,948
		106,233	119,912	76,998	88,442
Current assets					
Stock		5	3	-	-
Debtors and prepayments	13	10,027	10,623	19,409	21,763
Cash at bank and in hand		13,494	7,449	10,936	5,633
		23,526	18,075	30,345	27,396
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	14	(2,582)	(2,559)	(2,164)	(2,101)
Net current assets		20,944	15,516	28,181	25,295
Net assets excluding long-term liabilities and pension liability		127,177	135,428	105,179	113,737
Defined benefit pensions liability	15	(3,056)	(13,465)	(3,056)	(13,465)
Total net assets		124,121	121,963	102,123	100,272
Funds					
Endowment funds		5,958	6,930	5,958	6,930
Restricted funds		5,144	5,859	5,144	5,859
Designated funds		27,911	29,062	20,735	21,000
General funds		88,164	93,577	73,342	79,948
Pension reserve		(3,056)	(13,465)	(3,056)	(13,465)
	23	124,121	121,963	102,123	100,272

Approved by the Board of Trustees on 27 June 2023 and signed on its behalf by

Richard Daniel BSc (Hons) FRAeS

Chair, Board of Trustees

Consolidated statement of cash flows

For the year ended 31 December 2022

	2022	2021
	£'000	£'000
Net cash used in operating activities	(3,764)	(8,829)
Cash flows from investing activities		
Dividends and interest from investments	2,705	2,484
Proceeds from the sale of property	4,735	10,097
Purchase of property and equipment	(940)	(2,143)
Net proceeds from sale of investments	2,823	1,763
Net cash provided by investing activities	9,323	12,201
Cash flows from financing activities		
Loans awarded	(333)	(131)
Loan repayments	819	815
Net cash provided by financing activities	486	684
Change in cash and cash equivalents in the year	6,045	4,056
Cash and cash equivalents as at 1 January	7,449	3,393
Cash and cash equivalents as at 31 December	13,494	7,449
Reconciliation of net income to net cash flow from operating activities		
Net income/(expenditure) for the year ended 31 December	(7,283)	9,791
Adjustments for:		
Depreciation charges and amortisation	1,000	1,031
Gains on investments	8,652	(6,622)
Income attributable from joint venture	-	-
Dividends and interest from investments	(2,705)	(2,484)
Profit on the sale of fixed assets	(3,053)	(5,502)
Loan interest	(96)	(43)
Loans converted to grants	15	4
Loans written off less provision	57	-
Decrease/(increase) in stock	(2)	3
(Increase)/decrease in debtors	596	(3,350)
(Decrease)/increase in creditors	23	(857)
Pension interest expense	232	200
Pension fund costs	(1,200)	(1,000)
Net cash used in operating activities	(3,764)	(8,829)
Analysis of cash and cash equivalents		
Current accounts	13,494	7,449
Total cash and cash equivalents	13,494	7,449

Analysis of changes in net debt

	At 1 January 2022	Cash flows	At 31 December 2022
	£'000	£'000	£'000
Cash - current accounts	7,449	6,045	13,494

	At 1 January 2021	Cash flows	At 31 December 2021
	£'000	£'000	£'000
Cash - current accounts	3,393	4,056	7,449

NOTES TO THE FINANCIAL STATEMENTS

1 Principal accounting policies FOR THE YEAR ENDED 31 DECEMBER 2022

These are the financial statements of the Royal Air Force Benevolent Fund and its related entities. The Charity was incorporated by Royal Charter in England and Wales on 24 November 1999. Our Trustees are named on page 3. Our registered office is 67 Portland Place, London W1B 1AR.

BASIS OF PREPARATION

The consolidated financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice (FRS 102) rather than Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

ACCOUNTING CONVENTION

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

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

The Charity is a public benefit entity for the purposes of FRS 102 and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 as amended

by the Charities Accounts (Scotland) Amendment (No. 2) Regulations 2014.

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

FUNCTIONAL CURRENCY

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

GOING CONCERN

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

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

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

FUND ACCOUNTING

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

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

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

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

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

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

RECOGNITION OF INCOME

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

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

RECOGNITION OF EXPENDITURE

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

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

SUPPORT COSTS

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

GRANT COMMITMENTS

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

DEPRECIATION

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

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

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

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

INTANGIBLE FIXED ASSETS AND AMORTISATION

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

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

FOREIGN CURRENCIES

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

RELATED PARTY DISCLOSURES

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

Transactions with group undertakings are eliminated on consolidation.

INVESTMENTS

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

JOINT VENTURE

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

This company was dissolved on 4 April 2023, having served its purpose.

STOCK

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

PENSION COSTS

Pensions are accounted for in accordance with FRS 102 Section 28, with a valuation undertaken by an independent actuary for the defined benefit scheme, the Royal Air Force Benevolent Fund Staff Pension Fund, which is closed to future accrual. Net pension finance income or costs are included

immediately in other income or employee costs as appropriate.

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

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

FINANCE AND OPERATING LEASES

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

LOANS

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

FINANCIAL INSTRUMENTS

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset,

with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

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

Loans – Specific provision has been made against five loans where there is a high risk of non repayment.

Pension scheme deficit – The underlying assumptions used by the actuary in valuing the scheme are in accordance with FRS 102 and based on assumptions recommended by the actuary.

2 Income and endowments

	Unrestricted	Restricted	Total 2022	Unrestricted	Restricted	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies						
Royal Air Force service personnel	1,588	-	1,588	1,576	-	1,576
General donations	2,549	511	3,060	2,419	198	2,617
Government grants (Job Retention Scheme, DFG)	-	43	43	34	-	34
Legacy income	11,293	347	11,640	10,999	487	11,486
	15,430	901	16,331	15,028	685	15,713
Charitable activities						
Housing	1,024	-	1,024	964	20	984
Respite care	14	-	14	23	-	23
Loan interest	96	-	96	43	-	43
	1,134	-	1,134	1,030	20	1,050
Other trading activities						
Income from fundraising events	252	-	252	400	19	419
Trading income	147	-	147	147	-	147
	399	-	399	547	19	566
Investment income						
Dividends from pooled funds	2,379	225	2,604	2,268	216	2,484
Interest earned	101	-	101	-	-	-
	2,480	225	2,705	2,268	216	2,484
Other income						
Profit on the sale of fixed assets	3,053	-	3,053	5,502	-	5,502
Pension interest income	215	-	215	213	-	213
RAF100 distribution	16	-	16	-	-	-
	3,284	-	3,284	5,715	-	5,715
Total income	22,727	1,126	23,853	24,588	940	25,528

The profit on the sale of fixed assets in 2021 included the profit on the sale of Princess Marina House of £4.2M. The 2022 figure includes profit on sale of £0.9M for disposal of our Edinburgh office.

3 Analysis of expenditure

	Direct costs	External grants	Support costs	Total 2022	Direct costs	External grants	Support costs	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	2,841	-	1,485	4,326	2,378	-	1,405	3,783
Regional engagement	317	-	-	317	495	-	-	495
Other trading activities	32	-	-	32	121	-	-	121
Investment management fees	338	-	-	338	303	-	-	303
	3,528	-	1,485	5,013	3,297	-	1,405	4,702
Charitable activities								
Direct support to individuals	8,146	-	907	9,053	8,013	-	1,470	9,483
Welfare programmes and grants	865	2,814	881	4,560	751	2,956	804	4,511
Respite care	879	-	442	1,321	1,105	-	172	1,277
Housing Trust support	1,599	-	938	2,537	1,487	-	899	2,386
	11,489	2,814	3,168	17,471	11,356	2,956	3,345	17,657
Total expenditure	15,017	2,814	4,653	22,484	14,653	2,956	4,750	22,359

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

4 Analysis of support costs

	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	598	375	364	182	135	1,654
Depreciation and amortisation	144	86	84	42	642	998
General management and administration	160	96	93	47	35	431
Finance	355	213	207	104	77	956
HR	126	76	74	37	27	340
Governance	102	61	59	30	22	274
Total	1,485	907	881	442	938	4,653

	Raising funds	Direct support to individuals	Welfare programmes and grants	Respite care	Housing Trust support	Total 2021
	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	507	505	297	84	102	1,495
Depreciation and amortisation	136	109	82	40	663	1,030
General management and administration	129	125	74	22	26	376
Finance and payroll	274	319	152	10	47	802
HR	139	161	77	5	23	405
Governance	220	251	122	11	38	642
Total	1,405	1,470	804	172	899	4,750

5 Staff costs

	2022	2021
	£'000	£'000
Wages and salaries	4,864	5,155
Social security costs	557	576
Pension costs	649	509
Termination and redundancy costs	9	172
	6,079	6,412

Prior year staff costs include termination and redundancy costs for 100 employees who worked at Princess Marina House.

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

	2022	2021
	No.	No.
£60,001–£70,000	4	6
£70,001–£80,000	4	4
£80,001–£90,000	1	1
£90,001–£100,000	-	-
£100,001–£110,000	1	1
£110,001–£120,000	1	2
£120,001–£130,000	-	2
£130,001–£140,000	1	-
	12	16

11 employees (2021: 15) whose pay and benefits amounted to more than £60,000 in the year were members of the Group Personal Pension Plan, a money purchase scheme.

The Fund introduced a salary sacrifice scheme in 2022 which has increased the pension contributions in comparison with 2021.

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

	2022	2021
	No.	No.
Charitable activities	64	56
Cost of generating funds	24	36
Governance, administration and support	21	25
	109	117

6 Key management personnel

The key management personnel of the RAF Benevolent Fund are the Trustees and the Executive Leadership Team (ELT). The ELT comprises of the Controller, the Director of Resources, the Director of Grants, Services and Programmes, the Director of Fundraising and the Director of Strategy and Impact. Total employee pay and benefits received by ELT for services to the Charity in 2022 were £583K (2021: £601K).

7 Net expenditure

	2022	2021
	£'000	£'000
Net expenditure for the year is stated after charging:		
Amounts paid for audit services (including VAT):		
Audit fees (current year)	74	64
Audit fees (prior year under accruals)	12	-
Corporation tax services	2	1
Investment management fees	338	303
Amortisation of intangible assets	161	168
Depreciation	839	863
Operating leases	57	48
(Profit) on disposal of fixed assets	(3,053)	(5,502)

8 Trustees' remuneration

The Trustees neither received nor waived any emoluments during 2022 (2021: £nil).

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

	2022	2021	2022	2021
	No.	No.	£	£
Travel and accommodation	9	5	5,413	1,209

9 Intangible assets

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Software costs				
Cost on 1 January	2,533	3,457	2,533	3,457
Additions during the year	9	81	9	81
Disposals during the year	-	(1,005)	-	(1,005)
Cost at 31 December	2,542	2,533	2,542	2,533
Amortisation at 1 January	(2,346)	(3,183)	(2,346)	(3,183)
Amortisation for the year	(161)	(168)	(161)	(168)
Depreciation on disposals during the year	-	1,005	-	1,005
Accumulated amortisation at 31 December	(2,507)	(2,346)	(2,507)	(2,346)
Net book value 31 December	35	187	35	187

10 Tangible fixed assets

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

	Group 2021			Charity 2021		
	Property	Equipment	Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost on 1 January	43,565	2,340	45,905	12,703	2,340	15,043
Additions during the year	2,062	-	2,062	5	-	5
Disposals during the year	(6,724)	(1,978)	(8,702)	(5,441)	(1,978)	(7,419)
Cost at 31 December	38,903	362	39,265	7,267	362	7,629
Depreciation at 1 January	(11,528)	(2,318)	(13,846)	(3,920)	(2,318)	(6,238)
Depreciation for the year	(863)	-	(863)	(230)	-	(230)
Depreciation on disposals during the year	2,151	1,956	4,107	1,761	1,956	3,717
Accumulated depreciation at 31 December	(10,240)	(362)	(10,602)	(2,389)	(362)	(2,751)
Net book value 31 December 2021	28,663	0	28,663	4,878	0	4,878

10 Tangible fixed assets (cont)

			2022		2021	
	Property Equipment		Total	Property	Equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net book value at 31 December is analysed as follows:						
Gulf Trust Fund (restricted fund)	124	-	124	129	-	129
RAFBF respite homes	441	-	441	403	-	403
Headquarters – London	4,065	-	4,065	4,346	-	4,346
Charity	4,630	-	4,630	4,878	0	4,878
RAFBF Housing Trust Ltd	22,443	-	22,443	23,785	-	23,785
Group	27,073	-	27,073	28,663	-	28,663
The net book value of properties comprises:						
Freehold	26,680			28,269		
Long leasehold	393			394		
	27,073			28,663		

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

11 Fixed asset investments

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Market value as at 1 January	83,114	78,255	75,429	71,528
Additions	514	8,547	514	8,547
Withdrawals	(3,337)	(10,310)	(3,295)	(10,256)
Net investment gains	(8,652)	6,622	(7,801)	5,610
Market value at 31 December	71,639	83,114	64,847	75,429
Total fixed asset investments	71,639	83,114	64,847	75,429
Investments are represented by:				
Listed investments	63,201	79,797	56,409	72,112
Cash holdings in investments	7,886	2,771	7,886	2,771
RAF Disabled Holiday Trust Bonds	552	546	552	546
Total	71,639	83,114	64,847	75,429

The Charity is the only Trustee of the RAF Disabled Holiday Trust whose net assets to the value of £552K are included within investments. Also included is the Charity's share capital in the RAFBF Trading Co Ltd of £1, the results of this subsidiary entity are shown in Note 26.

12 Loans to beneficiaries

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Balance at 1 January	7,948	8,593	7,948	8,593
New loans	333	131	333	131
Interest charged	96	43	96	43
	8,377	8,767	8,377	8,767
Repayments	(819)	(815)	(819)	(815)
Loans converted to grants	(15)	(4)	(15)	(4)
Bad debts written off	(5)	-	(5)	-
Provision for loan conversion	(52)	-	(52)	-
Balance at 31 December	7,486	7,948	7,486	7,948

The Fund offers loans in cases where grant assistance is not appropriate or not possible. They enable asset-rich but cash-poor beneficiaries to remain in their homes. Loan interest is charged depending on the nature of the case at a rate substantially below commercial rates. All but £70K (2021: £91K) of the Fund's loans are secured by legal charges on the properties of the beneficiaries. The majority of loans have no fixed repayment date and are normally repayable from the beneficiary's estate. A specific provision for loan conversion has been allowed for where there is a high risk of non repayment.

13 Debtors

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Legacies	9,214	9,901	9,167	9,901
Inter company balance	-	-	9,559	11,253
Other debtors	626	576	537	462
Prepayments	187	146	146	147
	10,027	10,623	19,409	21,763

14 Creditors: amounts falling due within one year

	Group		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	485	628	479	612
Taxation and social security costs	265	191	258	184
Accruals for grants payable	1,324	1,471	1,068	1,159
Other creditors	508	269	359	146
	2,582	2,559	2,164	2,101

15 Pension commitments

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

A Group Personal Pension Scheme made up of a collection of individual pension plans arranged by the Fund is provided by an insurance provider. This service has been provided by Royal London since November 2016. The liability of the employer is limited to the contributions it makes which amounted to £649K (2021: £509K) of which £56K remained payable at the year end (2021: £nil).

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

	2022	2021
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(27,338)	(39,680)
Fair value of plan assets	24,282	26,215
Net defined benefit liability	(3,056)	(13,465)
The amounts recognised in the SOFA are as follows:		
Net interest expense on net defined benefit liability	232	200
Total pension expense recognised in the SOFA	232	200
Reconciliation of defined benefit obligation over the year		
Defined benefit obligation as at 1 January	(39,680)	(41,561)
Interest expenses on defined benefit obligation	(703)	(511)
Remeasurement – effect of experience adjustments gain	(2,113)	317
Remeasurement – effect of changes in assumptions loss	13,875	762
Benefits paid	1,283	1,313
Defined benefit obligation as at 31 December	(27,338)	(39,680)
Changes in the fair value of plan assets over the year:		
Fair value of plan assets as at 1 January	26,215	25,030
Interest income on plan assets	471	311
Remeasurement – return on plan assets excluding interest income gain	(2,321)	1,187
Contributions by employer	1,200	1,000
Benefits paid	(1,283)	(1,313)
Fair value of plan assets as at 31 December	24,282	26,215
Return on plan assets	(1,850)	1,498

15 Pension commitments (cont)

Remeasurements recognised in SOFA

Remeasurement – effect of experience adjustments gain	(2,113)	317
Remeasurement – effect of changes in assumptions gain/(loss)	13,875	762
Remeasurement – return on plan assets excluding interest income gain	(2,321)	1,187

Total remeasurement gain/(loss) recognised in SOFA	9,441	2,266
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	2022		2021	
	£'000	%	£'000	%
Assets:				
Target Return Fund	23,472	96.7%	25,744	98.2%
Cash/other	810	3.3%	471	1.8%
	24,282	100%	26,215	100%

	2022	2021
Principal actuarial assumptions at the balance sheet date :		
Discount rate	4.6%	1.8%
RPI inflation rate	3.2%	3.5%
CPI inflation rate	2.6%	2.9%
Increases to pensions in deferment (CPI max 5%)	2.6%	2.9%
Increases to pensions in payment (CPI max 5%)	2.6%	2.8%
Commutation (% of pension)	25%	25%
Mortality – base table	S3PA	S3PA
Mortality – allowance for future improvements	CMI 2021	CMI 2020
	1.0% LTR	1.0% LTR
Life expectancies from age 63:		
Male currently aged 63	86.6	86.6
Female currently aged 63	89.1	89.0
Male currently aged 43	87.7	87.6
Female currently aged 43	90.2	90.2

Amounts for current and previous four periods are as follows:

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

16 Related party disclosure

Donations to the value of £1,025 (2021: £505) were received from individual Trustees in the year. Details of all inter-company transactions are shown in Note 27 on subsidiary entities. There were no other related party transactions.

17 Ultimate controlling party

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

18 Capital commitments

There are no major planned capital commitments for 2023.

19 Analysis of group net assets between funds

	Unrestricted funds		Restricted funds		Endowment funds		Total funds	
	2022	2021	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible, intangible fixed assets	26,984	28,721	124	129	-	-	27,108	28,850
Investments	63,067	73,248	2,600	2,922	5,972	6,944	71,639	83,114
Loans to beneficiaries	7,486	7,948	-	-	-	-	7,486	7,948
Current assets	20,601	14,807	2,420	2,808	505	460	23,526	18,075
Current liabilities	(2,063)	(2,085)	-	-	(519)	(474)	(2,582)	(2,559)
Pension liability	(3,056)	(13,465)	-	-	-	-	(3,056)	(13,465)
Total net assets	113,019	109,174	5,144	5,859	5,958	6,930	124,121	121,963

20 Operating leases

At 31 December 2022 the group had total annual commitments under non-cancellable operating leases, all for office equipment and vehicles as follows:

	2022	2021
	£	£
Payments due: office equipment and vehicles		
Within one year	36,388	61,629
Within two to five years	47,740	47,468
Total	84,128	109,097

21 Contingent liability

The last triennial valuation of the Staff Pension Fund (SPF) identified a deficit of £12.275M as at 31 December 2021, on an agreed prudent funding basis. The Charity is required to enter into a Recovery Plan to extinguish the deficit. The plan commits the Charity to making annual payments of £1.2M until the earlier of 31 October 2028 or such date as when the deficit is extinguished.

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

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

A formal valuation of the property which is held on a long lease (virtual freehold) interest, was carried out in August 2019 and the market value was placed at £11M. This property is shown at a net book value of £4.0M in the balance sheet.

22 Welfare programmes and external grants

	2022	2021
	£	£
GRANT FUNDING TO THE SERVING ROYAL AIR FORCE		
Station grants		
603 (City of Edinburgh) Squadron RAuxAF	1,100	500
RAF Akrotiri	600	35,500
JHC FS Aldergrove	9,800	-
RAF Benson	-	500
RAF Boulmer	600	-
MOD Boscombe Down	1,000	500
RAF Brize Norton	54,620	26,694
Cheltenham JSSU	500	-
RAF Coningsby	13,520	500
RAF Cosford	6,000	500
RAF College Cranwell	1,400	6,500
Defence Animal Training Regiment	-	4,739
RAF Digby	3,700	250
RAF Episkopi	-	3,416
BFSAI Falklands	500	-
RAF Fylingdales	1,000	500
RAF Gibraltar	3,312	-
Grantown-on-Spey RRC	300	-
RAF Halton	3,200	4,974
RAF Henlow	3,500	500
RAF High Wycombe	1,700	500
RAF Honington	12,802	79,541
RAF Leeming	7,000	-
RAF Lossiemouth	1,700	500
RAF Marham	900	500
RAF Northolt	9,400	14,008

	2022	2021
	£	£
RAF Odiham	1,700	500
RAF Scampton	4,536	500
RAF Shawbury	1,000	-
MOD St Athan	1,000	-
RAF St Mawgan	10,500	-
RAF Valley	19,500	9,994
RAF Waddington	16,495	500
DMS Whittington	300	-
RAF Wittering	51,100	2,000
MOD Worthy Down	3,970	3,000
Worthy Down DCLPA	300	-
RAF(U) Swanwick	500	-
41 Op REIMAGE & 103 Op ILKANE	2,960	-
One YMCA for three RAF stations	3,000	-
	255,015	197,116

TOTAL GRANT FUNDING TO THE SERVING ROYAL AIR FORCE	255,015	197,116
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CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE

Airplay programme

RAF stations – youth support programme	1,066,201	1,250,497
RAF stations – Ben Play parenting and play parks	-	58,621
	1,066,201	1,309,118

General support

RAF Families Federation	15,000	15,000
Relate – Building Stronger Families	-	3,000
	15,000	18,000

Grant refund (RAF Shawbury)	(348,000)	-
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TOTAL CONTRACTED SERVICES TO THE SERVING ROYAL AIR FORCE	733,201	1,327,118
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TOTAL GRANTS AND CONTRACTED SERVICES TO SUPPORT THE SERVING ROYAL AIR FORCE	988,216	1,524,234
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CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES

Wellbeing partnerships

Headspace (mental wellbeing)	72,675	67,511
Silver Line/Age UK	137,705	144,419
Work Stress Management (listening and counselling)	539,999	335,889
Manage Health (listening and counselling)	228,435	272,532
Relate (young people listening and counselling)	65,658	43,130
PAM (listening and counselling)	93,411	-
GamCare (gambling support)	-	2,400
Workshop and coaching	12,000	22,300
	1,149,883	888,181

	2022	2021
	£	£
Relationship support		
Relate – relationship counselling/mediation	199,792	144,665
TOTAL CONTRACTED SERVICES TO SUPPORT THE SERVING AND VETERANS' COMMUNITIES	1,349,675	1,032,846
GRANTS FUNDING TO THE VETERANS' COMMUNITIES		
AFCFT grant (Op Unite)	42,708	-
Age Concern Spain – ACASA	5,000	10,000
Alabare Christian Care Centres	-	13,000
Bridge For Heroes	4,000	-
British Embassy Slovakia	-	3,120
British Nuclear Tests Veterans Association	-	3,000
Care After Combat	5,000	-
Combat Stress	87,813	76,000
Czech Veterans	-	-
Defence Medical Welfare Service	13,000	13,000
Fares4Free	5,000	-
Farm-Able Foundation	-	4,000
Fighting With Pride	17,000	17,000
Goodwill Solutions – The Learning Academy	-	-
ILM Highland	-	-
Improving Lives Plymouth	5,000	-
International Bomber Command Memorial	-	150
Medical Emergency Response Team (MERT) Club	-	6,000
Military Wives Choir Foundation	7,500	-
National Gulf Veterans and Families Association	5,000	7,500
Not Forgotten Association	-	7,500
On Course Foundation	2,500	3,000
PAFA	-	750
Polish Veterans	-	4,680
Poppy Scotland – ASAP	15,000	20,000
Project Propeller	(5,000)	-
RAF Widows' Association	34,015	-
Royal Commonwealth Ex-Services League (includes support towards caseworking costs)	38,214	20,000
Save The Skymaster	-	3,500
Scotty's Little Soldiers	8,000	-
Slovak Western Front Army Veterans Widows	1,560	-
Spinal Injuries Association	-	-
SSAFA, the Armed Forces Charity (includes support towards caseworking costs)	20,550	30,720
Stoll	-	12,000
Team Endeavour Racing	-	-
The Gwennili Trust	-	-
The Ripple Pond	-	-
Turn To Starboard	5,000	-
Veterans Outreach Support	9,000	-

	2022	2021
	£	£
Waterloo Uncovered	1,800	1,800
We Are With You	10,000	-
Widows Association of Great Britain	-	-
Workplace Chaplaincy Scotland	-	2,500
	337,660	259,220
Employment support		
The Poppy Factory	15,000	-
HighGround	-	-
Regular Forces Employment Association	50,000	62,436
Walking With The Wounded	10,000	7,000
The Warrior Programme	5,000	8,000
	80,000	77,436
Housing support		
Broughton House	18,000	18,000
Lord Kitchener's Memorial Holiday Centre	7,000	-
Royal British Legion Industries	-	2,000
Veterans Aid	15,000	15,000
Queen Elizabeth Hospital Birmingham Hospital Charity – Fisher House	-	10,000
	40,000	45,000
Residential and respite care		
Care for Veterans	18,000	15,000
The Curphey Home	-	2,000
	18,000	17,000
TOTAL GRANT FUNDING TO THE VETERANS' COMMUNITY	475,660	398,656
TOTAL GRANT AND CONTRACTED SERVICES PAYMENTS TO THIRD PARTIES	2,813,551	2,955,736
Total contracted services	2,082,876	2,359,964
Total discretionary grants	730,675	595,772
TOTAL COST OF SUPPORT THROUGH GRANT AND CONTRACTED SERVICES	2,813,551	2,955,736

23 Statement of funds

	At 1 January 2022	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2022	Charity at 31 December 2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	93,577	21,383	(19,178)	(6,465)	(1,153)	88,164	73,342
Designated funds – see Note 24	29,062	1,344	(1,602)	(893)	-	27,911	20,735
Pension reserve	(13,465)	-	(232)	9,441	1,200	(3,056)	(3,056)
Total unrestricted funds	109,174	22,727	(21,012)	2,083	47	113,019	91,021
Restricted income funds – see Note 25	5,859	1,126	(1,472)	(322)	(47)	5,144	5,144
Endowment funds – see Note 26	6,930	-	-	(972)	-	5,958	5,958
Total funds	121,963	23,853	(22,484)	789	-	124,121	102,123

	At 1 January 2021	Income	Expenditure	Net gains/ (losses)	Transfers	Group at 31 December 2021	Charity at 31 December 2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	96,986	24,193	(19,329)	4,832	(13,105)	93,577	79,948
Designated funds – see Note 24	17,404	395	(1,804)	958	12,109	29,062	21,000
Pension reserve	(16,531)	-	(200)	2,266	1,000	(13,465)	(13,465)
Total unrestricted funds	97,859	24,588	(21,333)	8,056	4	109,174	87,483
Restricted income funds – see Note 25	5,728	940	(1,026)	221	(4)	5,859	5,859
Endowment funds – see Note 26	6,319	-	-	611	-	6,930	6,930
Total funds	109,906	25,528	(22,359)	8,888	-	121,963	100,272

Unrestricted funds

The sum of £27.9M (2021: £29.1M) is included in unrestricted funds and relates to the following designated reserves:

£7.2M (2021: £8.1M)	Reserves held by the RAF Dependants Fund to relieve immediate financial distress in the event of the death of a subscriber by giving a tax-free grant, payable at the discretion of the Fund
£7.0M (2021: £8.2M)	Pension deficit recovery contributions based on a revised recovery plan to pay £100K per month up to October 2028
£12.8M (2021: £12.8M)	Enhanced welfare provision to (1) advance our strategic ambitions (2) enhance our welfare delivery and (3) build on our success
£935K (2021: nil)	Property fund to be used to maintain the Fund's presence in Scotland as required

The transfer of £1.2M (2021: £1M) from general reserves to the pension reserve represents the Fund's contribution paid into the defined benefit pension scheme in the year. In addition £47K was transferred into general reserves representing capital works for the Bridlington holiday cottage, which was completed from restricted reserves.

Restricted income funds – Over £100K

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

Endowment funds – Over £100K

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

24 Designated funds

	At 1 January 2022	Income	Expenditure		Net gains	Transfers	At 31 December 2022
	£'000	£'000	£'000		£'000	£'000	£'000
Pension deficit recovery contributions	8,200	-	(1,200)		-	-	7,000
Enhanced welfare provision	12,800	-	-		-	-	12,800
Property fund for the Scotland office	-	935	-		-	-	935
Total designated funds - Charity	21,000	935	(1,200)		-	-	20,735
RAF Dependants Fund	8,062	409	(1,295)		-	-	7,176
Total designated funds - Group	29,062	1,344	(2,495)		-	-	27,911

	At 1 January 2021	Income	Expenditure		Net gains	Transfers	At 31 December 2021
	£'000	£'000	£'000		£'000	£'000	£'000
Fundraising development and systems upgrade	1,209	-	(391)		-	(818)	-
Investment in Airplay programmes	2,692	-	(1,059)		-	(1,633)	-
New and enhanced welfare services	6,486	-	(46)		-	(6,440)	-
Pension deficit recovery contributions	-	-	-		-	8,200	8,200
Enhanced welfare provision	-	-	-		-	12,800	12,800
Total designated funds - Charity	10,387	-	(1,496)		-	12,109	21,000
RAF Dependants Fund	7,017	395	(308)		958	-	8,062
Total designated funds - Group	17,404	395	(1,804)		958	12,109	29,062

25 Restricted funds

	As at 1 January 2022	Income	Expenditure /transfer	As at 31 December 2022	As at 1 January 2021	Income	Expenditure	As at 31 December 2021
	£	£	£	£	£	£	£	£
Education								
Group Captain W E Purdain Memorial Fund	-	105	(78)	27	100	101	(201)	-
RAF Prize Trust	-	9,221	(6,860)	2,361	-	8,884	(8,884)	-
RAFBF Educational Endowment Fund	19,999	20,759	(19,999)	20,759	-	19,999	-	19,999
RAFBF Educational Expendable Fund	-	5,717	(270)	5,447	2,011	5,518	(7,529)	-
RAFBF Education	-	24,129	(8,435)	15,694	-	23,247	(23,247)	-
Douglas Turner Benefaction	-	4,941	(3,676)	1,265	4,700	4,760	(9,460)	-
	19,999	64,872	(39,318)	45,553	6,811	62,509	(49,321)	19,999
Princess Marina House and respite care								
Princess Marina House Amenities Fund	-	-	-	-	-	-	-	-
Princess Marina House Shencot/Seacot House	-	1,075	(1,075)	-	-	1,030	(1,030)	-
The April Fools' Club – serving respite care	-	-	-	-	-	-	-	-
	-	1,075	(1,075)	-	-	1,030	(1,030)	-
Housing								
Housing Trust General Restricted Fund	78,975	256,010	(253,110)	81,875	-	108,156	(29,181)	78,975
Housing adaptations (Lincoln)	-	-	-	-	-	5,000	(5,000)	-
	78,975	256,010	(253,110)	81,875	-	113,156	(34,181)	78,975
Other								
Bomber Command Memorial	2,955,897	223,708	(394,321)	2,785,284	2,652,758	361,867	(58,728)	2,955,897
Trustee General	-	1,000	(1,000)	-	-	-	-	-
Gulf Trust	450,255	-	-	450,255	430,001	20,254	-	450,255
	3,406,152	224,708	(395,321)	3,235,539	3,082,759	382,121	(58,728)	3,406,152
Welfare programmes								
Aged Veteran Fund	-	-	-	-	230	125	(355)	-
Armed Forces Covenant Fund Trust (Operation Unite)	-	258,916	(55,416)	203,500	-	-	-	-
Airplay	-	85,605	(70,399)	15,206	-	31,000	(31,000)	-
Thrive	9,120	480	(9,600)	-	-	9,120	-	9,120
Mrs H M Jerham Memorial Fund	4,025	1,139	-	5,164	2,928	1,097	-	4,025
RAF stations	-	-	-	-	-	100	(100)	-
Mental health services	-	-	-	-	104	832	(936)	-
The Red Arrows Trust Serving Family Breaks	-	10,000	-	10,000	-	-	-	-
Youth mental health (Lossiemouth)	15,907	14,907	(30,814)	-	-	15,907	-	15,907
MBDA Fund	-	-	-	-	-	-	-	-
Restricted to RAF Valley	32,684	-	(19,000)	13,684	-	42,678	(9,994)	32,684
	61,736	371,047	(185,229)	247,554	3,262	100,859	(42,385)	61,736
Individual welfare								
Advice and Advocacy	-	8,081	(8,081)	-	-	8,966	(8,966)	-
Afghan Brain Injury	227,223	-	-	227,223	226,728	495	-	227,223
Afghan: LIBOR	-	-	-	-	366	-	(366)	-
Various legacies – beneficiaries in Lossiemouth	10,000	-	(775)	9,225	-	10,000	-	10,000
Various legacies – beneficiaries in Scotland	46,846	70,098	(116,944)	-	-	293,131	(246,285)	46,846
RAF Disabled Holiday Trust	569,635	6,134	-	575,769	554,312	15,323	-	569,635
Fulmer Fund	66,102	-	(15,596)	50,506	211,278	-	(145,176)	66,102
Garden maintenance	-	-	-	-	-	-	-	-
General welfare (individual)	-	-	-	-	-	6,600	(6,600)	-

25 Restricted funds (cont)

	As at 1 January 2022	Income	Expenditure /transfer	As at 31 December 2022	As at 1 January 2021	Income	Expenditure	As at 31 December 2021
	£	£	£	£	£	£	£	£
General welfare (mobility aid)	-	-	-	-	-	1,500	(1,500)	-
General welfare (respite and care)	11,505	-	(11,505)	-	-	15,000	(3,495)	11,505
General welfare – Devon, Cornwall and Somerset	-	-	-	-	300	3,600	(3,900)	-
Low Trust	572,209	-	-	572,209	572,209	-	-	572,209
Restricted to UK Regions	7,928	600	(8,528)	-	65,030	51,050	(108,152)	7,928
Restricted to UK Regions – veterans 65+	-	37,000	(37,000)	-	-	-	-	-
Financial assistance restricted to UK Regions	-	9,500	(9,500)	-	-	-	-	-
All general Scotland	-	34,000	(34,000)	-	-	-	-	-
All general Yorkshire	-	500	(500)	-	-	-	-	-
Podcast Battle of Britain	-	1,500	-	1,500	-	-	-	-
Veteran independent living Scotland	-	2,000	(2,000)	-	-	-	-	-
Veterans and family in Jamaica	-	1,000	(1,000)	-	-	-	-	-
Social isolation (veterans)	-	15,000	(15,000)	-	-	-	-	-
Care home top-up fees Kent	-	1,000	(1,000)	-	-	-	-	-
Older veterans Norfolk	-	3,000	(3,000)	-	-	-	-	-
Older veterans and dependants Bristol	-	5,000	(2,780)	2,220	-	-	-	-
Elderly veterans and dependants North East	-	2,500	(2,500)	-	-	-	-	-
Financial assistance Sunderland and Co Durham (veterans)	-	3,000	(3,000)	-	-	-	-	-
Mobility equipment North East	-	1,500	(1,500)	-	-	-	-	-
Financial assistance Berkshire	-	1,000	(1,000)	-	-	-	-	-
RAF Family – financial assistance within Oxfordshire	-	500	(500)	-	-	-	-	-
All general Tayside	-	2,000	(2,000)	-	-	-	-	-
Older veterans Birmingham	-	1,000	(1,000)	-	-	-	-	-
Care home top-up fees Yorkshire (veterans)	-	2,000	(2,000)	-	-	-	-	-
Veterans Berkshire	-	1,000	(1,000)	-	-	-	-	-
Independent living Fife (veterans)	-	5,000	(5,000)	-	-	-	-	-
Aged veterans home respite	-	120	(120)	-	-	-	-	-
Independent living (veterans)	-	1,000	(1,000)	-	-	-	-	-
Financial assistance Cumbria	-	300	(300)	-	-	-	-	-
Improving social isolation veterans Scotland	12,974	-	(12,974)	-	-	19,974	(7,000)	12,974
Royal Observer Corps	111,516	-	(16,459)	95,057	58,640	75,000	(22,124)	111,516
Stafford Trust	-	-	-	-	15,120	-	(15,120)	-
	1,635,938	215,333	(317,562)	1,533,709	1,703,983	500,639	(568,684)	1,635,938
Respite care – LIBOR Funds								
Respite care lunch clubs	-	-	-	-	-	-	-	-
Respite care property	128,574	(35,245)	(93,329)	-	135,433	-	(6,859)	128,574
Respite breaks and care hotels	254,413	(184,413)	(70,000)	-	280,324	-	(25,911)	254,413
Contribution to community engagement workers	212,498	111,200	(323,698)	-	431,847	-	(219,349)	212,498
Domiciliary care regular	-	109,298	(109,298)	-	-	-	-	-
Management support	60,472	(840)	(59,632)	-	85,684	-	(25,212)	60,472
	655,957	-	(655,957)	-	933,288	-	(277,331)	655,957
Total restricted funds	5,858,757	1,133,045	(1,847,572)	5,144,230	5,730,103	1,160,314	(1,031,660)	5,858,757

26 Endowment funds

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

	As at 1 January 2022	Unrealised (loss)	As at 31 December 2022	As at 1 January 2021	Unrealised gain	As at 31 December 2021
	£	£	£	£	£	£
Permanent endowment funds with unrestricted income						
Pilot Officer J P L Branson Memorial Fund	56,475	(7,917)	48,558	51,494	4,981	56,475
Pilot Officer James Erskine Cunning Memorial Fund	53,149	(7,451)	45,698	48,461	4,688	53,149
Flying Officer L S Delaney Trust	15,438	(2,164)	13,274	14,076	1,362	15,438
Paddy Finucane Memorial Fund	23,001	(3,224)	19,777	20,972	2,029	23,001
Louise Alice Kay Memorial Fund	47,515	(6,661)	40,854	43,324	4,191	47,515
Mosquito Memorial Fund	13,352	(1,872)	11,480	12,174	1,178	13,352
Flying Officer Douglas Frank Newsham Memorial Fund	42,421	(5,947)	36,474	38,680	3,741	42,421
Viscount Nuffield Endowment	1,228,074	(172,155)	1,055,919	1,119,759	108,315	1,228,074
Helen Mary Renton Fund	50,128	(7,027)	43,101	45,707	4,421	50,128
RAF Rugby Union Fund	58,952	(8,264)	50,688	53,753	5,199	58,952
Peter Henry Slater-Eiggert Memorial Fund	169,160	(23,713)	145,447	154,240	14,920	169,160
The Revd. James Edmund Strickland Memorial Fund	121,845	(17,080)	104,765	111,098	10,747	121,845
	1,879,510	(263,475)	1,616,035	1,713,738	165,772	1,879,510
Expendable endowment funds with unrestricted income						
Flying Officer William Dron Memorial Fund	2,849	(399)	2,450	2,598	251	2,849
Frederick Eley Fund	5,490	(770)	4,720	5,006	484	5,490
Wing Commander J Higginson Fund	11,213	(1,572)	9,641	10,224	989	11,213
Peter Grattan Holt Memorial Fund	58,436	(8,191)	50,245	53,282	5,154	58,436
E H Jubb Fund	389,211	(54,561)	334,650	354,883	34,328	389,211
Middle East Relief Fund	49,707	(6,968)	42,739	45,323	4,384	49,707
Morley Fund	8,148	(1,142)	7,006	7,429	719	8,148
Orlebar Memorial Fund	9,220	(1,293)	7,927	8,407	813	9,220
Shattock Memorial Scholarship Fund	13,845	(1,941)	11,904	12,624	1,221	13,845
Wooding Memorial Fund	9,877	(1,385)	8,492	9,006	871	9,877
	557,996	(78,222)	479,774	508,782	49,214	557,996
Permanent endowment funds where the use of the income is restricted						
Newton Driver Memorial Fund	2,493,582	(349,558)	2,144,024	2,273,650	219,932	2,493,582
Group Captain W E Purdain Memorial Fund	3,184	(446)	2,738	2,903	281	3,184
RAFBF Educational Endowment Fund	631,452	(88,519)	542,933	575,758	55,694	631,452
Douglas Turner Benefaction	150,307	(21,070)	129,237	137,050	13,257	150,307
	3,278,525	(459,593)	2,818,932	2,989,361	289,164	3,278,525
Expendable endowment funds where the use of the income is restricted						
Mrs H M Jerham Memorial Fund	34,641	(4,856)	29,785	31,586	3,055	34,641
Hector Pilling Memorial Fund	733,992	(102,893)	631,099	669,254	64,738	733,992
RAF Prize Trust	280,499	(39,321)	241,178	255,759	24,740	280,499
RAFBF Educational Expendable Fund	165,697	(23,228)	142,469	151,083	14,614	165,697
	1,214,829	(170,298)	1,044,531	1,107,682	107,147	1,214,829
Total endowment funds	6,930,860	(971,588)	5,959,272	6,319,563	611,297	6,930,860

27 Subsidiary entities

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

	RAFBF Trading Ltd		RAF Dependants Fund		RAF Dependants Income Trust Ltd		RAFBF Housing Trust Ltd		RAF Disabled Holiday Trust		Subsidiary entities	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:												
Donations	-	-	6	44	-	-	118	115	1	2	125	161
Investments	1	-	224	213	1	-	19	-	-	-	245	213
Other trading activities	147	143	-	-	-	-	-	-	-	-	147	143
Charitable activities	-	-	-	-	-	-	998	964	-	-	998	964
Profit on sale of properties	-	-	-	-	-	-	2,140	1,297	-	-	2,140	1,297
Subscriptions	-	-	179	182	35	31	-	-	-	-	214	213
	148	143	409	439	36	31	3,275	2,376	1	2	3,869	2,991
Expenditure on:												
Charitable activities	110	101	360	280	-	-	1,986	1,687	31	24	2,487	2,092
Other trading activities	31	34	-	-	-	-	-	-	-	-	31	34
Management and administration	7	8	42	28	36	31	-	-	-	-	85	67
	148	143	402	308	36	31	1,986	1,687	31	24	2,603	2,193
Net gains/(loss) on investment assets	-	-	(893)	958	-	-	-	-	6	14	(887)	972
Net result of subsidiary	-	-	(886)	1,089	-	-	1,289	689	(24)	(8)	379	1,770

RAFBF Trading Limited

Company number: 07768120

A company set up for the RAF Benevolent Fund to conduct trading in support of its charitable objectives. The Company donated £109,528 to the Fund in 2022 (2021: £101,300). The inter-company balance owed to the Fund at year end was £159,578 (2021: £132,542). The net assets at year end were £1 (2021: £1).

RAF Dependants Fund

Charity number: 253492

A charity with the RAF Benevolent Fund as custodian Trustee. Set up to promote the efficiency of the RAF through relieving dependants of deceased serving personnel from financial distress. There were 19 deaths in 2022 (2021: 16). The death grant was increased from £17,500 to £20,000 in May 2022 in each case. The inter-company balance owed to the Charity at year end was £5,864 (2021: £3,926). The net assets at year end were £7,220,769 (2021: £8,106,464).

RAF Dependants Income Trust Limited

Company number: 01285364

A company set up for RAF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were 10 member deaths in 2022 (2021: 7) and beneficiaries received payments made on behalf of the Trust by the underwriters Aviva. The company donated £nil to the Charity in 2022 (2021: £nil). The inter-company balance owed to the Charity at year end was £5,864 (2021: £5,103). The net assets at year end were £3,339 (2021: £3,339).

RAF Benevolent Fund Housing Trust Limited

Company number: 1058896
Charity number: 264636
Scottish registered number: SCO38218

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to hold and operate properties of beneficiaries of the RAF Benevolent Fund. The inter-company balance owed to the Fund at year end was £9,497,644 (2021: £11,366,322). The net assets at year end were £14,662,567 (2021: £13,373,342).

RAF Disabled Holiday Trust

Charity number: 286019

A wholly owned subsidiary of the RAF Benevolent Fund. Its sole activity is to provide holidays to disabled serving and former members of the RAF and their dependants. The Trust purchases holiday bonds which entitles it to book holidays in the UK for its beneficiaries. The inter-company balance owed by the Charity at year end was £49,750 (2021: £19,531). The net assets at year end were £521,779 (2021: £546,124). RAF Benevolent Fund Gift in Kind amounted to £nil (2021: £nil).

SUBSIDIARY ORGANISATIONS

RAF BENEVOLENT FUND HOUSING TRUST LIMITED

Companies House: 01058896
Charity Commission: 264636
OSCR: SC038218

Directors/Trustees:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Patrick Aylmer
Wing Commander Sarah Davis
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(until 28 Mar 2023)
Emrys Rogers

RAFBF TRADING LIMITED

Companies House: 07768120

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Alison Benjamin
Graeme Craig (until 28 Mar 2023)
James Dooley
Air Commodore Paul Hughesdon
(from 28 Mar 2023 until 15 June 2023)
Jason Shauness (until 17 Mar 2023)

RAF DISABLED HOLIDAY TRUST

Charity Commission: 286019

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

RAF DEPENDANTS INCOME TRUST LIMITED

Companies House: 01285364

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Sarah Casemore (until 25 Feb 2022)
Richard Cryer
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(from 28 Mar 2023 until 15 June 2023)
Squadron Leader Clive Martland
(from 30 Sept 2022)
Group Captain Dawn Murty
(from 18 July 2022)

RAF DEPENDANTS FUND

Charity Commission: 253492

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)

Management Committee members:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Sarah Casemore (until 25 Feb 2022)
Richard Cryer
Wing Commander Stuart Graham
(from 1 Jan 2022 to 17 Jul 2022)
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(until 28 Mar 2023)
Squadron Leader Clive Alan Martland
(from 30 May 2023)
Group Captain Dawn Murty
(from 18 Jul 2022)

Scheme Manager:

Andy Cairns (until 21 Apr 2023)

RAF BENEVOLENT FUND TRUSTEES LIMITED (DORMANT)

Companies House: 00945083

Directors:

Air Vice-Marshal Chris Elliot (Chair)
Victoria Akinboro
Patrick Aylmer
Wing Commander Sarah Davis
Air Commodore Simon Harper
(from 28 Mar 2023)
Air Commodore Paul Hughesdon
(until 28 Mar 2023)
Emrys Rogers

ROYAL OBSERVER CORPS BENEVOLENT FUND (DORMANT)

Charity Commission: 209640

OSCR: SC037659

Trustee:

Royal Air Force Benevolent Fund
(Reg Charity: 1081009)



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Please contact us today if you
need our support.

FREE CALL 0300 102 1919

info@rafbf.org.uk

rafbf.org/help

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

The RAF Benevolent Fund is a registered
charity in England and Wales (1081009)
and Scotland (SCO38109)

