

ANNUAL REPORT 2015

TRUSTEES' REPORT AND ACCOUNTS
for the year end 31 December 2015



Royal Air Force
Benevolent Fund



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GCB AFC ADC

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GCB CBE ADC FRAeS

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Air Commodore A Vaughan OBE BA

Senior Management Team

Controller

Air Marshal C M Nickols CB CBE MA FRAeS

Director of Strategy and Fundraising

Group Captain M C Neville CBE BSc (Hons)

Director Finance

Ms L Baliga FCCA (retired June 2015)

Ms V Fakehinde BSc (Hons) ACMA CGMA (appointed
October 2015)

Director Welfare and Policy

Air Commodore P Hughesdon MA FloD

RAF Benevolent Fund Principal and Registered Office

67 Portland Place, London W1B 1AR

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Chairman's Foreword

The past year has seen continued progress for the RAF Benevolent Fund, with a number of new services introduced to further improve our support to our beneficiaries and an increased fundraising performance which allowed us to sustain that vital welfare work. Our Reaching Out Campaigns through regional media resulted in a very significant number of new cases for us, reinforcing our view that many who need assistance also need help to find us. This, linked to the completion of a comprehensive piece of research on the needs within the RAF Family, has allowed us to prioritise and focus our resources to those areas of most need.

The charity world in general, and some charities in particular, have found themselves in the media spotlight for much of the past year. While we rightly find ourselves in independent surveys as one of the most trusted charities, reflecting what we believe are our high ethical and moral standards in areas such as fundraising and governance, we have nevertheless taken the opportunity afforded by this increased external scrutiny of the sector to review all of our relevant policies and practices. Few changes were required and we believe that we remain at the forefront of best practice in all areas of our operations.

None of this would be possible without the very capable and hardworking staff who have managed to generate more than £24m last year and use it to transform the lives of those who need our assistance. But I must finish by also recognising the incredible generosity of so many individuals and organisations who donate to us so that we can continue with that work. We could not do it without you – thank you!

Lawrie Haynes

Chairman, Royal Air Force Benevolent Fund



Controller's Foreword

Although we remain acutely aware of the need to minimise the cost of running the charity so that we can pass as much on to our beneficiaries as possible, we saw some modest expansion in the past year. This was a direct result of introducing a number of new welfare programmes, all part of our response to our research on RAF veterans or the assessed needs of the serving RAF community. We have also built on the success in our fundraising of the past couple of years to increase our effort in a number of areas; this will ensure that we can continue to fund further new welfare programmes in the near future to address a wider range of needs, particularly amongst the elderly and those still serving.

As a general welfare charity, we find ourselves increasingly working with others collaboratively. Our casework has always been undertaken for us by others, such as SSAFA and Royal Air Forces Association (RAFA), but we are now finding that more of our delivery of welfare services can best be done by working with specialist charities. New programmes have been started with Anxiety UK and Community Network to add to more longstanding work with others such as CAB, Relate and 4Children. These are intended to address old age issues such as social isolation and dementia, as well as depression amongst all ages and the enduring pressures on the families of the RAF, which remains on sustained long-term overseas operations.

Finally, we continue to develop the assessment of our work to provide the evidence of the impact we are having on beneficiaries' lives. We know that we must increasingly be able to demonstrate to generous supporters that we are putting their money to the best possible use.

Air Marshal Chris Nickols

Controller, Royal Air Force Benevolent Fund

Our Vision

Every member of the RAF Family should have access to support whenever they need it.



Our Mission

We are the RAF's leading welfare charity, providing financial, practical and emotional support to all members of the RAF Family. We are here to help serving and former members of the RAF, as well as their partners and dependants, whenever they need us.

Objects and Activities

Since its formation, the Charity's objects have been to provide relief and assistance to past and present members of the Royal Air Force and their dependants who are in need as a result of poverty, disability, sickness, infirmity or otherwise, and to maintain the RAF War Memorial on the Victoria Embankment, London.

In October 2008, the Charity's objects were expanded to enable it also to promote the efficiency of the Royal Air Force by providing support and assistance to Service personnel and their dependants with a view to enhancing their morale and well-being.



Public Benefit Statement

When reviewing the Fund's aims and objectives and in planning future activities and policies, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on public benefit and fee charging. Where a contribution is invited, for example towards the costs of a respite break or occupying a residential property, the beneficiary's means are always taken into account when assessing an appropriate contribution, so that no member of the RAF Family is prevented from accessing the services of the Fund because they cannot afford the full cost. The Fund also provides a public benefit as it promotes efficiency in the RAF, thereby underpinning esprit de corps and contributing to the defence of the United Kingdom and its interests. Through its External Grants programme, the Fund also enables other charities to maximise their public benefit, where applicable to and in support of the RAF Family.

Strategic Report

Charitable Activities: Achievements, Performance and Impact

Achievements and Performance

Trustees agreed that activity during 2015 should place emphasis on the following:

- Provision of essential and vital welfare support to the RAF Family;
- Encouraging new applications for support through cost-effective Reaching Out Campaigns;
- Researching the changing dynamic of the RAF Family's welfare demand;
- Based on that research, promoting new welfare initiatives;
- Promoting the Fund's brand and image across a wider target audience;
- Expanding corporate partnerships and enhancing other income streams to ensure the longer-term financial viability of the Fund.

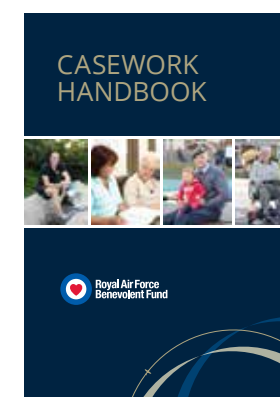
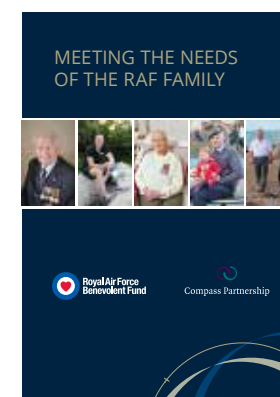
Our Spectrum of Care

The Fund continues to take great pride in supporting a full Spectrum of Care, a strategy that ensures that we meet the needs of all those in the RAF Family, whether they be children of serving RAF personnel, those serving, early leavers (including wounded, injured or sick personnel) or veterans and spouses from every generation of service in the Royal Air Force. In all individual cases, we consider the whole need as presented and not simply what is requested. Our judgements are based on the level of financial distress, operating within sensible modern policies and seeking to provide a hand up, not a hand out. We support both Regulars and Reservists. Most of our beneficiaries are UK-based, but we support people worldwide.



Trustees prioritise annually the support we provide. Our first priority is to support individual benevolence and we have continued to stimulate demand through outreach campaigns designed to highlight to the population at large that we are here to help members of the RAF Family. The Fund also runs a number of other forms of welfare support and, in 2015, Trustees agreed to invest in additional programmes. We are, of course, mindful of the Fund's long-term sustainability and the need to match expenditure to income. We are determined to remain best in class in as many aspects of our work as possible and to repay the debt that we owe to members of the RAF Family. But in all this, real people with real problems remain at the core of our ethos and we are proud to support those in need, either directly or in partnership with other organisations.

We continue to be very grateful to the caseworking organisations which provide our "eyes and ears" on the ground and without whose assistance we could not deliver our support to individual beneficiaries. Our thanks go, in particular, to the Royal Air Forces Association (RAFA), SSAFA, the Royal British Legion, the Officers' Association and the Royal Commonwealth Ex-Services League. We are also very grateful to our volunteers who support our committee processes and help us to make the best decisions in increasingly complex cases.



Key Welfare Developments

During 2015, we launched the Fund's research project *Meeting the Needs of the RAF Family*, which has provided us with a vital bedrock of information, both about the size of the RAF Family and also its needs. The report is available on the Fund's website. As intended, this has given us a secure base from which to assess the impact of our work and grow our support for those in need.

During 2015 we:

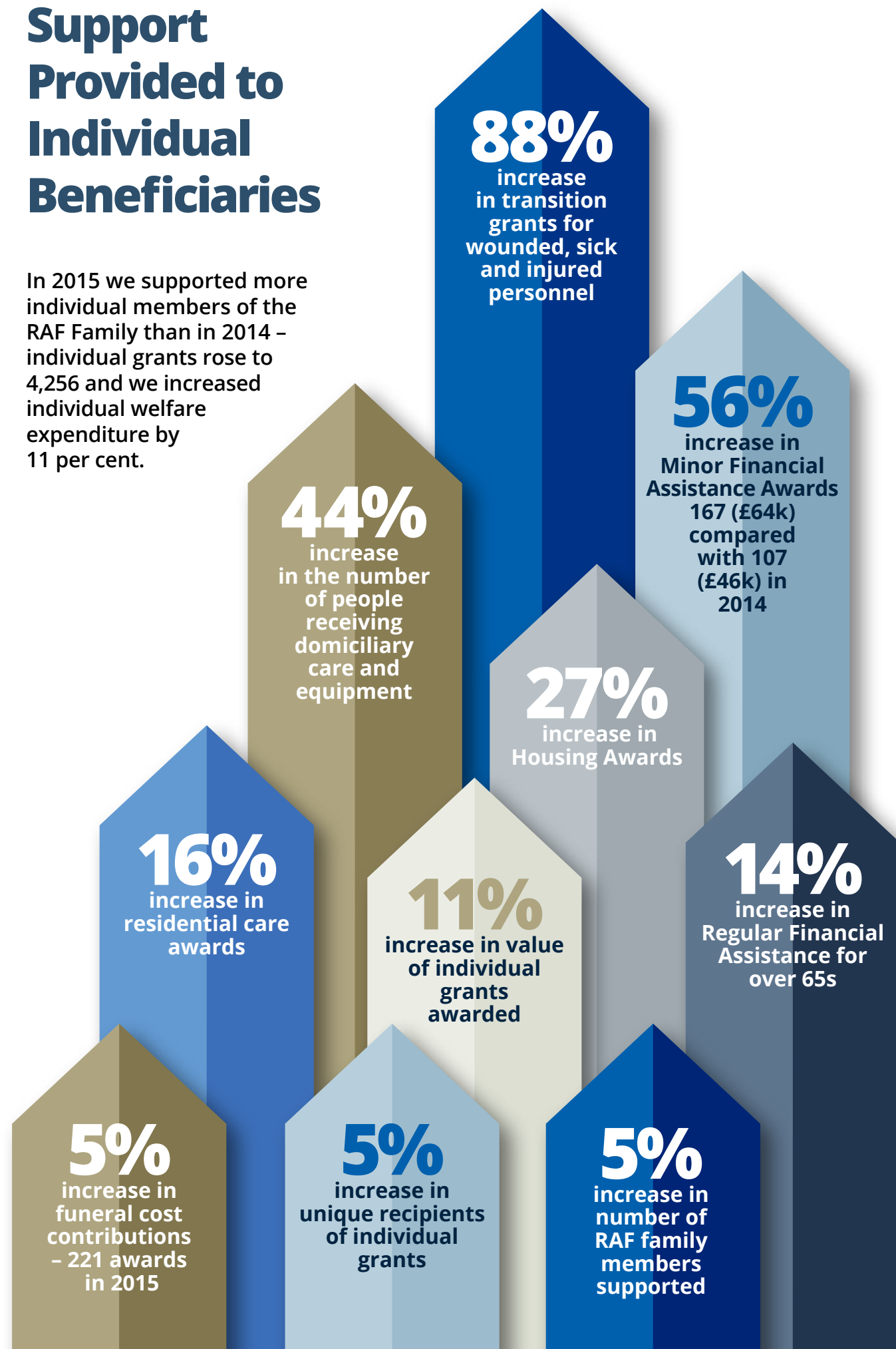
- Introduced and embedded the Advice and Advocacy Service;
- Introduced and developed the Individual Support Service;
- Designed and launched the Building Stronger Families course;
- Agreed a much wider range of domiciliary support.

All of these elements are now delivering positive effects. This work was supported by re-writing the Caseworker Handbook. We also raised funds for, and delivered, two new Seaside Apartments at Princess Marina House and devised a successful bid for money from the Aged Veterans Fund. This multi-project programme will include a seven-day-a-week lunch club and a respite at home service. We continue to develop an effective and sensible model for the Well-being & Employment Project for Housing Trust occupants and others as appropriate.

Finally, we have continued to work hard to support the serving RAF community. Using the RAF's Community Needs Analysis as the basis, we have provided additional monies to support a number of discrete projects. Perhaps the most significant is the agreement to launch the Ben Clubs initiative, which sits within the overall Airplay programme, and which from 2016 will provide additional support for five to eight-year-olds. This is in addition to the Building Stronger Families course (funded by LIBOR money) and the mediation service which went live on 1 April 2016.

Support Provided to Individual Beneficiaries

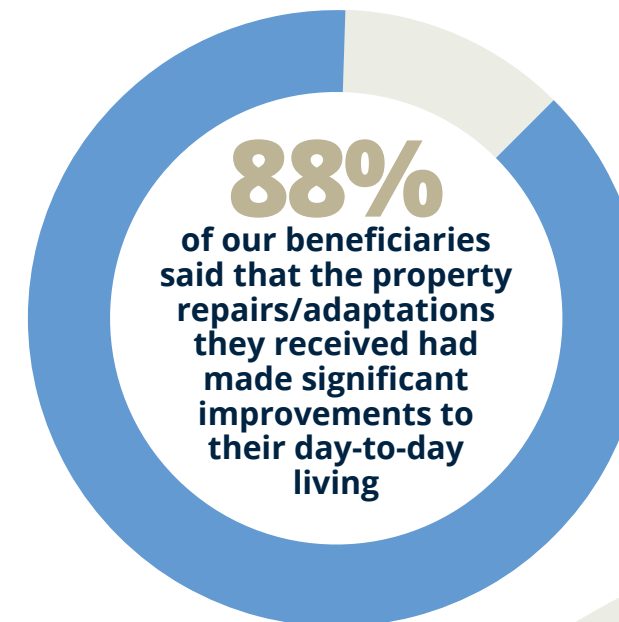
In 2015 we supported more individual members of the RAF Family than in 2014 – individual grants rose to 4,256 and we increased individual welfare expenditure by 11 per cent.



There are a number of other areas in which we provide more specialist support; from education costs for the families of those who lost a parent in Service to secured loans (591) for those who are asset rich but cash poor and need to make their property fit for purpose but might not otherwise have the means to do so. We also provide specialist support to the Guinea Pig Club, the Royal Observer Corps Benevolent Fund and others and run the RAF Disabled Holiday Trust, the RAF Dependents Fund and the RAF Dependents Income Trust, all of which provide additional and vital support to the most needy members of the RAF Family. Our support to Combat Stress in 2015 amounted to £168k.

"They were there for me at my lowest point in life and have supported and helped me for two years now. I would not have managed without the RAFBF."

RAF Benevolent Fund beneficiary



Welfare Programmes

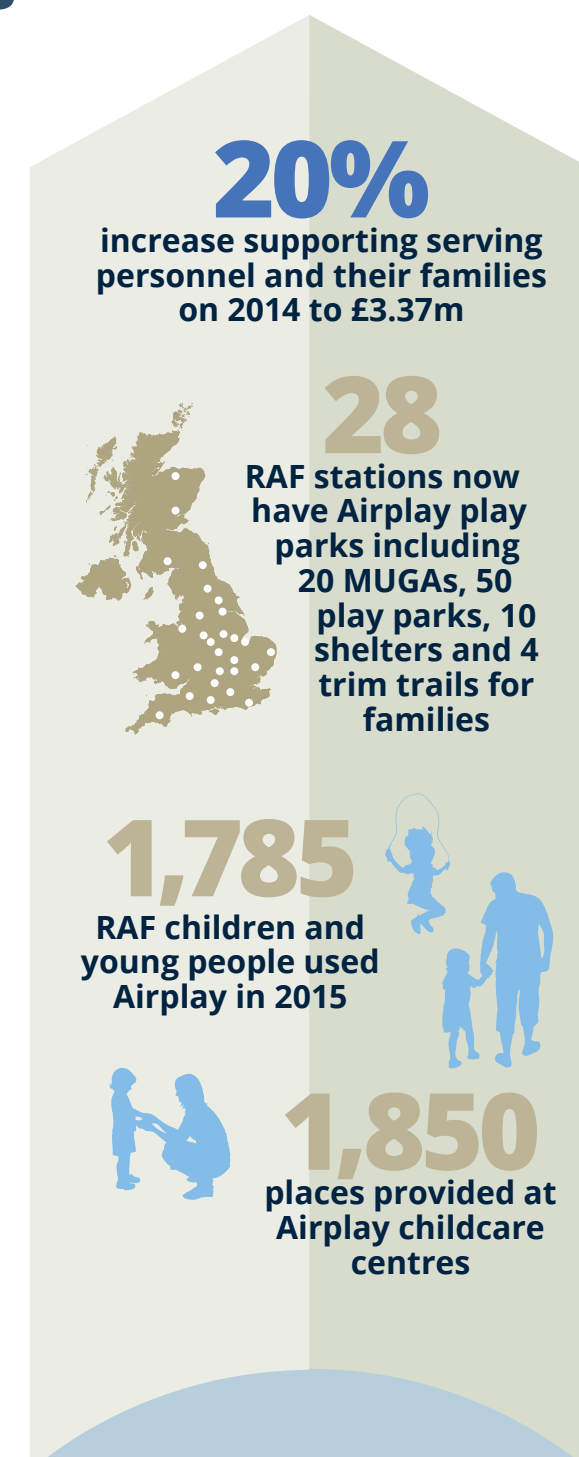
Building on the research provided via the RAF's Community Needs Analysis and the Fund's own research, 2015 was a year when considerable additional support was either put in place or planned for the future. Much of this will be delivered by programmes that the Fund is currently managing or will manage directly.

Airplay

The Airplay Programme (Airplay play parks, Airplay youth support and Airplay childcare centres) is designed to relieve the many pressures on RAF families and continues to be the Fund's flagship support programme for the serving RAF. By the end of 2015, allowing for work authorised but not yet completed, Airplay play parks had, in total, delivered facilities at 28 RAF stations comprising 20 Multi-Use Games Areas (MUGAs), 50 play parks, ten shelters and four trim trails, a total of 84 facilities (an increase of seven over the year). As part of the additional funds that Trustees have allocated to support the serving RAF, Ben Clubs (which will support five to eight-year-olds) have been commissioned on bases supported by Airplay, which will roll out in the first quarter of 2016. Feedback from a large number of users (parents and children/young people) and RAF commanders indicates that the programme has a great impact on easing the pressures on families and relationships, particularly when a parent is deployed on operations overseas.

"I think Ben Clubs are a really good idea - there is definitely a need for something for the younger ones. It gives them a chance to get used to youth club before they join the older group too."

Becky (mum to Grace, five, and Brooke, nine)

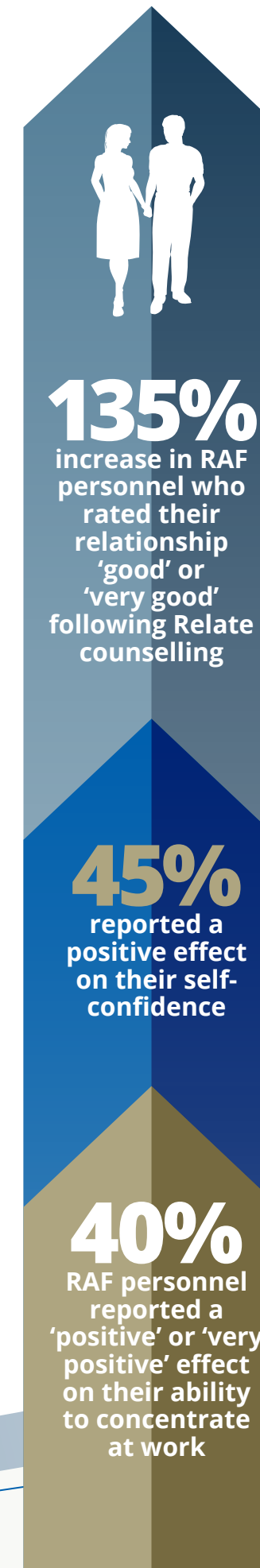
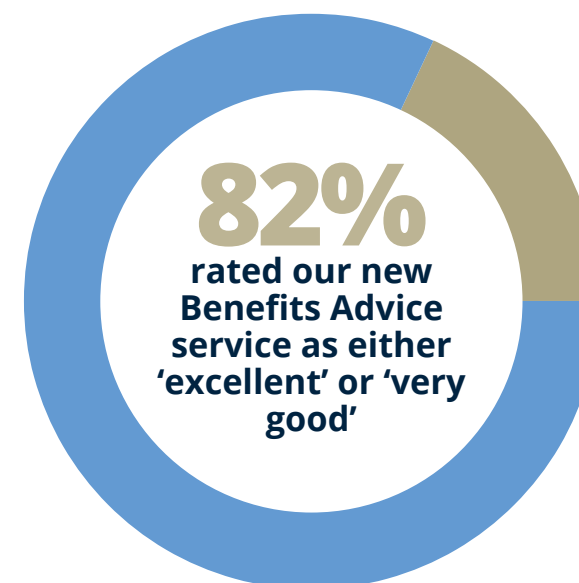


Relate

The Relate contract recognises the strain of military service and operational deployments on the RAF family and provides relationship counselling. In 2015, the Fund supported 570 unique clients and measuring outcomes work shows that this service is highly regarded and brings very significant benefits to the RAF and its personnel. Additionally, in December 2015, we launched the Building Stronger Families course across the RAF (the set up work was funded by LIBOR monies) which is an online course providing information and guidance within a number of key areas of relationships, with the aim of equipping individuals and couples to deal better with the challenges of partnership living.

Advice and Advocacy Service

More broadly across the whole community, we have introduced an Advice and Advocacy Service, which ensures that beneficiaries are receiving their full entitlement to state benefits and gaining access to all local authority/NHS payments. In its first year of operation, both strands have had a major impact, with £800k of potential funding – largely additional to what we would give – being identified in the course of this work and many others being assisted into more appropriate or better funded housing or care facilities. We also introduced an Individual Support Service that continuously assesses the level of impact of our work and follows up should there be remaining unmet needs, despite our first response.



Residential and Respite Care

For those who are still serving, we recognise that time with families can be complex, especially prior to or following operational deployment, or during or after serious illness or bereavement in a family. To that end, we operate two Seaside Cottages for family respite breaks, collocated with Princess Marina House, which continue to be a popular provision to the serving RAF. In response to the enormous demand, the Fund has now doubled the capacity by bringing on stream two new apartments and we were delighted that the money raised via an appeal more than exceeded the building costs. Our President, HRH The Duke of Kent, opened them in late 2015. These four properties will also be available as Contact Houses for single parents to spend time with their children who do not live with them permanently.

In addition, we continued our support of the three joint homes run by RAFA. 2015 was the last year of our agreed subsidy and we are now supporting entitled people on an individual basis, the costs of which appear under 'Support provided to individual beneficiaries' on p10. The Fund continues to own 50% of two RAFA facilities, Rothbury House and Flowerdown House.

1,696
guests enjoyed
a break at PMH
and the Seaside
Cottages



Princess Marina House

Princess Marina House is our respite facility that more usually supports older veterans, those needing company, personal care and social inclusion, as well as a lovely break by the sea! The total number of guests at PMH and the Cottages rose marginally from 1,687 to 1,696 in 2015, despite rooms being unavailable due to two key projects. During the year the wet rooms upgrade was completed (funded by LIBOR money), a craft workshop was created in the Pavilion and a new pond and sensory seating area were installed in the garden.

528
guests enjoyed a break
at the Seaside Cottages,
an increase of
27%
on 2014

"I've been visiting Princess Marina House for eight years and since my wife Mary passed away it's given me somewhere I can go where everyone knows me and I'm amongst friends. The welcome and care you get is amazing – there isn't anywhere else I'd rather be."

National Service veteran Derek Whitaker



Housing Trust Support

The Fund maintains a Housing Trust which provides very specific individual housing solutions to those most in need. Today it is focused on those who are medically discharged from the RAF (i.e. Wounded, Injured and Sick personnel) and those who have lost their serving partner and have dependent children. Four awards were made with three new properties purchased in 2015. Rental income continued to be assessed with the sensible application of welfare principles according to ability to pay, taking eligibility for Local Housing Allowance into consideration. A further project (the Well-being & Employment Project), which will assist Housing Trust residents of working age who missed out on the current recovery pathway, is being taken forward in 2016. In addition, LIBOR-funded enhancements to the kitchens and gardens of a number of properties to improve the independence of occupants with severe mobility limitations continued in 2015 and are due for completion in 2016.



External Grants to Civilian Charities and Service Organisations



21,569
members of the RAF family
were supported by other charities
funded by the RAFBF

The Fund made grants to a wide variety of charities which provided specialist support to members of the RAF Family. During the year, 53 applications were approved (47 in 2014) at a cost of £669k, up by £60k. It is estimated that this money directly supported 21,569 individual members of the RAF Family (up from 20,105), plus family members. In addition, we also provide essential support to other charities such as the RAF Disabled Holiday Trust, the RAF Widows' Association, the Headley Court Charity and the Alexander Duckham Memorial Schools Trust.

We now account separately for the grants that we make to the serving RAF, which amounted to 34, at a cost of £516k in 2015, in addition to the other programmes described earlier. We continue to provide financial assistance to Citizens Advice Bureaux that are local to RAF stations, where they provide additional support to serving personnel and their families and these grants are now reflected in this new sub-category.

£3.37m
spent supporting the
serving RAF, an increase of
20%
on 2014

"The RAF Benevolent Fund has provided a home for our family and financial assistance when times were tough. Their support has enabled us to concentrate on spending time together as a family. This has helped improve my quality of life and personal comfort hugely, which is very important as I battle my illness."

RAF veteran James Faulkner, who was supported by the Fund after he was diagnosed with an inoperable brain tumour. James and his wife Sarah, an Air Traffic Control Assistant, now live in a Fund Housing Trust property.



Our Fundraising Promise

Supporters drive everything we do and, with no routine government funding, it is only thanks to the generosity and time given by thousands of people around the UK that we can continue helping members of the RAF Family in need. The money raised goes directly to helping those who need it most. We are committed members of the Fundraising Standards Board (FRSB) and follow their code of practice to ensure we meet the highest standards, so when our friends and volunteers give to or fundraise for us, they can do so with confidence and trust. We are grateful to all the donors who support the RAF Benevolent Fund and endeavour to fundraise responsibly and respectfully. Our promise to our supporters and what they can expect from us is available on our website.

We do not:

- Fundraise by making house-to-house collections either for cash or for regular donations;
- Sell or make available supporters' names and address details to any other organisation;
- Make telephone calls to anyone we have not been in contact with before.
- **Integrity.** We are honest, open and transparent and this Annual Report provides detailed information about our work and our finances. And we are



happy to answer any questions about our fundraising activities because we believe every supporter has the right to know how their donations are being used and the difference they are making to RAF Family members – young and old – who have fallen on difficult times or otherwise need our help.

- **Accuracy.** In all our messaging, we strive to accurately represent the experiences of the veterans, retired and serving personnel, and families we help and take care not to use any images or words which may cause distress or offence.
- **Respect.** We are respectful and we promise to respect our supporters and their decisions.
- **No Pressure.** We will never apply pressure on an individual or organisation to make a donation and will be especially careful and sensitive when engaging with vulnerable people, including the elderly. And we do all we can to ensure that no agency or contractor working on our behalf does so either.



- **If Supporters Have a Change of Heart.** For supporters who no longer wish to donate, we give thanks and gratitude for all that they have done for the RAF Benevolent Fund.
- **Supporters' Data is Safe With Us.** We do not share details with any other charity or third parties for their own purposes. We respect any personal data shared with us and comply with the Data Protection Act. We promise to keep supporters informed about our work in a way that suits them. If someone prefers less contact or does not want to hear from us at all, we respect their wishes and remove them from our mailing list.
- **Code of Conduct, Regulation and Legislation.** We are committed to high standards and have always followed the Fundraising Standards Board (FRSB) regulations and guidance. There are likely to be many changes in the very near future to fundraising codes of conduct, regulation and even legislation and the RAF Benevolent Fund will embrace them fully. If we find cause for concern or if we receive a complaint, we will investigate as a matter of urgency and take appropriate action promptly. We are accountable and we have introduced an annual review of

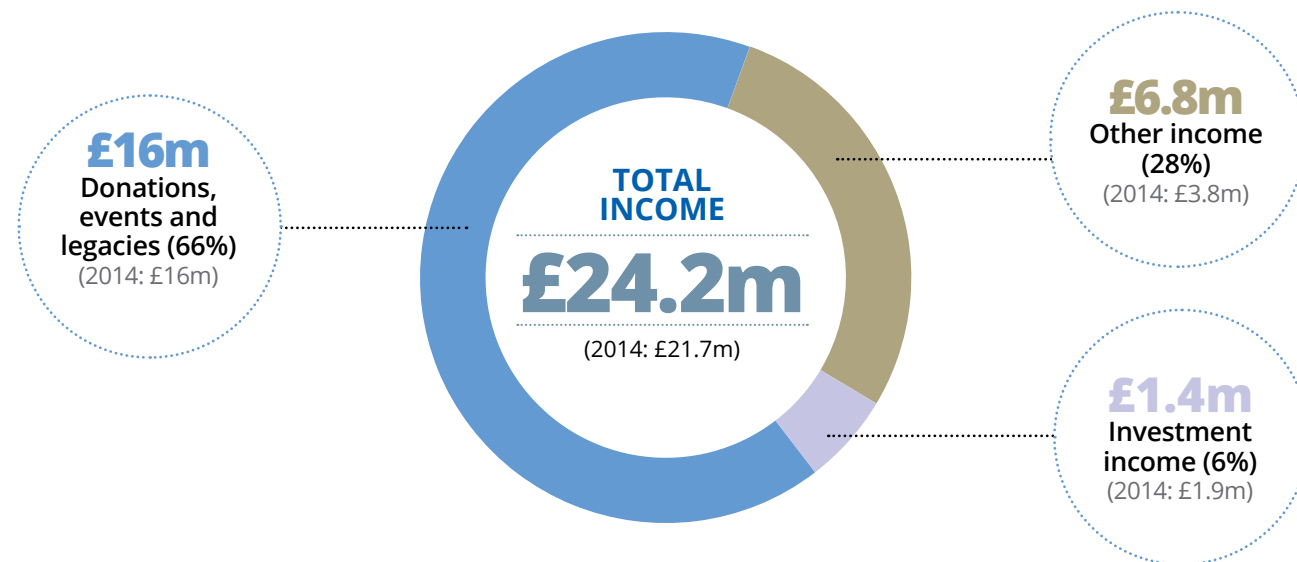
fundraising policy and activities. We are a charity with limited fundraising resources, yet always strive for the highest possible standards and always adhere to best practice.

- **Volunteers.** The Trustees recognise the valuable contributions made by volunteers and once again record their most grateful thanks for the commitment shown by so many people to our cause. No amounts are included in the financial statements to reflect the value of the work undertaken by these wonderful volunteers.

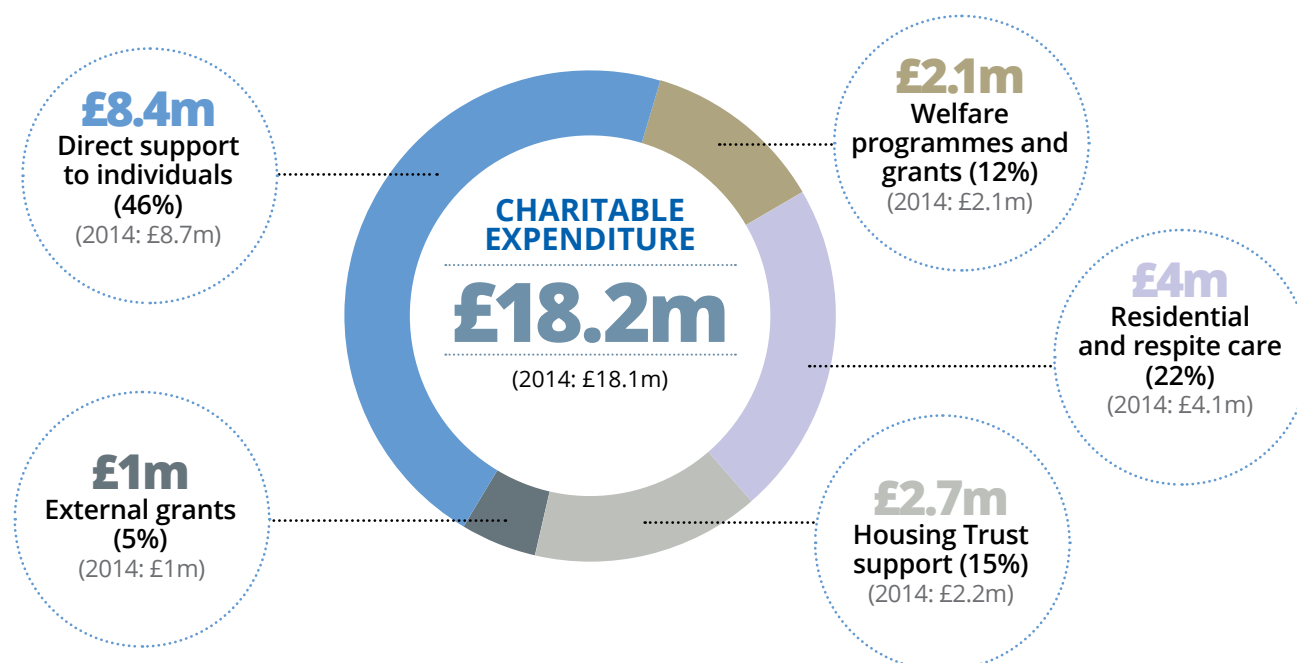


Financial Highlights 2015

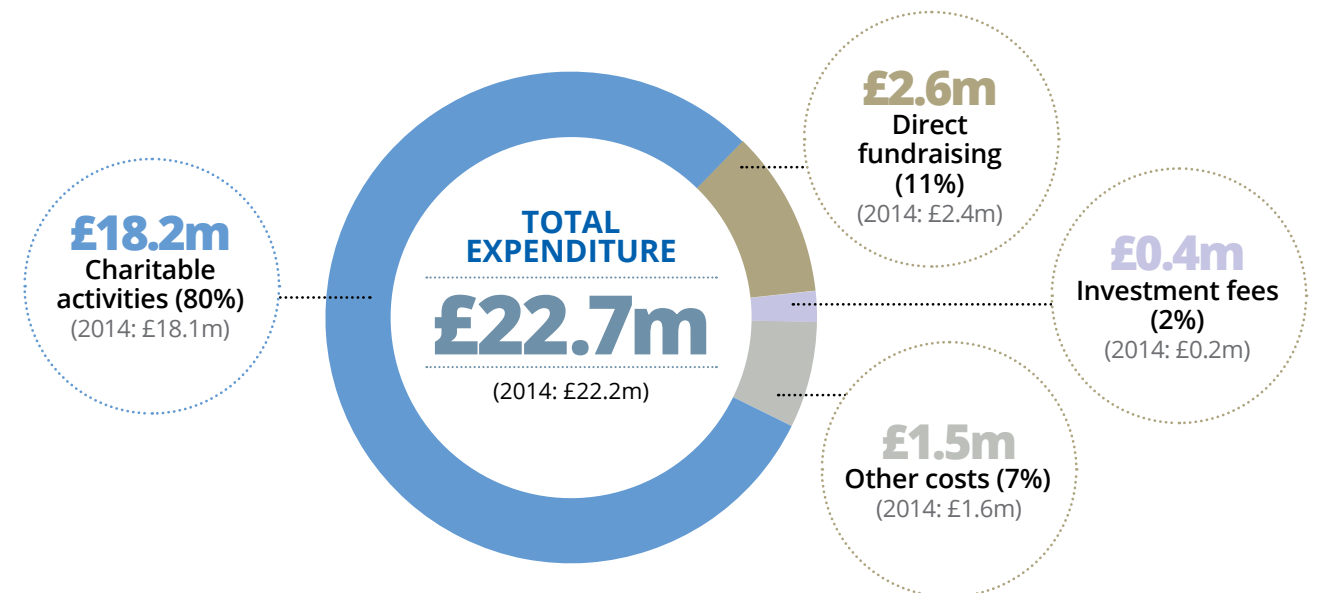
Where Our Money Came From



How We Helped Others



Total Expenditure



Investment Policy

The Fund's investment strategy is to enhance the value of its investments and earn an appropriate return through the adoption of a managed, diversified portfolio. During the year the Fund continued to hold its investments in three separate portfolios determined by the requirements of our Five-Year Plan that started in 2012. Cash requirements for the first year of the Plan are held in a Sterling Fund. Funds required for years two to five are held primarily in a Bond Fund, whilst funds not required for the duration of the Five-Year Plan continue to be held in a long-term Real Return Fund.

The return on investments in a year comprises the investment income generated and any capital gains or losses on the underlying investments. The investment manager has been tasked to deliver a return of LIBOR for the Sterling Fund, LIBOR plus 2% for the Bond Fund and LIBOR plus 4% for the Real Return Fund each year over rolling five-year periods.

In a difficult overall investment climate, during 2015 the Fund's portfolio achieved a total return of 1.0% (2014: 3.6%).

The Trustees continued to monitor carefully the performance of both the Fund's investments and the Investment Managers. In 2015, they also reviewed the investment strategy in the context of the external economic environment, our risk-based reserves policy and income requirements of a new revised Five-Year Plan which required little call on our reserves to underpin routine expenditure. Following this comprehensive review the main objectives of our revised investment strategy are:

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

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

In 2016, new investment management arrangements will be set up in pursuit of this investment strategy.

Reserves Policy

Free reserves are the resources the Fund has to make available for any or all of the Fund's purposes once it has met its commitments and covered its other planned expenditure. Free reserves exclude restricted and endowed funds, fixed assets and loans to beneficiaries.

The Fund holds a level of free reserves to ensure that it is able to meet the needs of its current and future beneficiaries given potential future risks. We take a risk-based approach to determine our free reserves requirement by evaluating an equivalent cost associated with each of the major risks on our risk register. This methodology has determined that we need to hold £40m as our minimum free reserve requirement to be able to sustain the support we provide to the RAF Family in the long term.

Based on evidence from our recent research, Trustees have directed that this risk-based approach is used to estimate whether the level of free reserves likely to be required in the 15 years to 2030 may change, thus supporting our longer-term strategic activity and financial planning.

After taking account of those assets (properties and loans) directly contributing to our charitable outputs, free reserves at the end of December 2015 stood at £65.8m (2014: £62.7m). The main contributor to the increase in our free reserves was the income

received from the disposal of a fixed asset no longer required as a residential property for the Controller.

An evidence-based approach continues to underpin our thinking about how best we can continue to serve the RAF Family. In 2016 the Trustees will review and discuss the thinking on whether to develop an additional respite care facility. If this project goes ahead, we will need to spend a significant amount of money that will utilise, in the next few years, the majority of reserves currently surplus to our minimum requirements.

The reserves policy is reviewed each year as part of the annual planning process. Performance against the reserves policy is monitored during the year as part of regular financial management and is reflected as a key performance indicator at Board level.

Restricted funds held at the end of 2015 stood at £4.6m. This represents the unexpended balance funds that have been received for specific charitable activities.

Endowment funds include both permanent and expendable funds, and represent income donated to the Fund subject to the condition that the capital remains unspent. The income earned on these funds has been applied to charitable activities.

Major Risks and Uncertainties

Trustees undertake a regular assessment of business risks and risk management procedures. The major risks to which the Charity group is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks. The cycle of reviews forms an integral part of the risk management processes adopted by the Charity and its subsidiaries. The RAF Benevolent Fund retains its cascade system to manage risk and once again the highest-level strategic risk is that of our reputation – viewed as both a threat and an opportunity. The major risks identified as having the potential to

affect our reputation and the subsequent performance of the Charity in 2015, along with mitigating actions, were:

- Failure to identify the welfare needs of its beneficiaries: mitigated by in-depth research on the RAF Family conducted by the Charity, as well as maintaining close engagement with serving and retired RAF personnel and with other military welfare charities (through COBSEO).
- Loss of relevance to key audiences: mitigated by an effective communication strategy which included Reaching Out Campaigns designed to inform and attract potential beneficiaries and interested supporters.
- Failure to meet its charitable objects due to a lack of financial resources: mitigated by strong financial planning processes which include Trustee-approved budgets, monthly monitoring and scrutinising of management accounts and extremely close attention to investment performance and fundraising income growth. A five-year income growth plan was approved in June 2015.

Plans for Future Periods

The Fund's research continues to provide the bedrock of our thinking and future developments. At the time of writing in 2016, we have already introduced a mediation service and Ben Clubs for the serving RAF and a mental well-being provision, which is being trialled with working age veterans. Shortly, we will launch a free weekly telephone friendship group for older RAF veterans, whilst Princess Marina House will be benefiting from a number of smaller refurbishments, extending its luncheon club and introducing a Respite at Home service, much of which is funded by the Aged Veterans Fund. In addition, we will be completing the LIBOR-funded enhancements to Housing Trust kitchens and gardens and determining the optimum course for the

Well-being & Employment Programme. We will also be looking to conclude our thinking on whether or not to invest in an additional respite facility, to the benefit of the whole RAF Family.

Some of our key objectives for 2016 are:

- Provide essential welfare support to the RAF;
- Encourage new applications for welfare support through cost effective Reaching Out Campaigns;
- Introduce additional welfare measures to combat the growing trend of social isolation among the more elderly RAF Family;
- Informed by extensive research, decide on the feasibility of providing an additional respite facility in the East/North of England;
- Deliver the Aged Veterans Fund projects in 2016 and share learning across the Armed Forces Sector as appropriate;
- Lead on the governance and financial aspects involved with the RAF Centenary Appeal;
- Initiate planning for the RAF Benevolent Fund Centenary in 2019.

Structure, Governance and Management

Reference and Administrative Details

The Royal Air Force Benevolent Fund has the registration number 1081009. As the Fund owns land in Scotland, it is also registered with the Office of the Scottish Charity Regulator in order to comply with the Charities and Trustee Investment (Scotland) Act 2005; the registration number is SCO38109. The restricted and endowed funds of the Charity have a separate registration number 207327.

In accordance with the provisions of Section 96 of the Charities Act 1993, the Charity Commission has directed that for all or any of the purposes of the Act the two Charities, having the same charity trustees, are to be treated as a single charity.

The RAF Benevolent Fund group also encompasses other entities, details of which can be found on the back cover of this report.

Structure and Governance

The Charity, which was set up in 1919, was incorporated by Royal Charter in 1999. Trustees are appointed by the Council for a four-year term, after which they are eligible for re-election for a further four-year term. Trustees may not hold office for a continuous period exceeding eight years or, without the consent of the Board, after their 75th birthday.

New Trustees are selected with a view to ensuring that the Board has an appropriate balance of experience relevant to the Fund's strategic and operational requirements. Trustees are recruited through advertisements in the media and a range of networks and are considered by a Nominations Committee on behalf of the

Board of Trustees and the Council. Each Trustee is provided with a briefing pack and an individual induction programme is agreed and implemented covering all aspects of the role and the work of the Charity. The Board, either as a whole or through its sub-committees, also receives on-going briefings and training from senior management and external advisors in critical areas such as risk management, reserves, fundraising practices and data protection.

The Board of Trustees consists of up to 15 Trustees, reflecting a mixture of those who are serving or have served in the Royal Air Force and those who have a background in industry, commerce or the charitable sector. The Board is assisted by committees overseeing welfare, finance, fundraising and communications and remuneration activities, and is aided by a number of advisory bodies.

The Board is responsible for the strategic direction of the Charity and, through its committees, for monitoring the activities of the executive staff. It reviews the position of the Charity and receives reports from the committees and the Senior Management Team. The Board also conducts regular performance reviews of senior executive management and indeed undergoes its own Board appraisal. It met five times in 2015.

The Board is responsible for approving the business plan and a range of supporting strategies. The Controller and Directors review strategic and policy matters through the Executive Policy Group and make recommendations to the Board as appropriate. The Controller, as Chief Executive of the Charity, is responsible for the day-to-day management of the Charity's affairs and for implementing the strategies and policies agreed by the Board.

Staff

Remuneration Policy

The Fund is committed to recruiting, retaining and developing people with the necessary skills and knowledge to deliver the organisation's objectives and the ability to make a positive contribution. Making effective decisions in relation to remuneration and reward is considered both central and crucial to the continued success of the Fund's overall aims.

The Fund's Remuneration Policy centres on the following principles:

- Reward employees using processes that are fair and equitable;
- Aim to pay competitively against our relevant comparators in the voluntary sector;
- Enhance the organisation's competitive positioning by promoting a total reward approach, recognising that other aspects of the employment package (e.g. benefits and development opportunities as well as the intrinsic moral value of working for a charity) are also valuable to employees.

Remuneration Review and Annual Pay Award

The Fund has a Remuneration Committee, comprised of Trustees, which reviews the Fund's remuneration policy annually in order to ensure the principles listed above are adhered to and remain appropriate. At the Review meeting, the Committee will also consider an annual pay award, the purpose of which is to take account of changes in pay movement externally and to reward sustained contribution in the role.

In order to support pay decisions the Remuneration Committee are provided with external market information through the XPert HR annual voluntary-sector salary survey. All recommendations are then submitted to the Board of Trustees end of year meeting for final approval. In 2015, Trustees awarded a 1.5% uplift in salary for all staff.

In accordance with the SORP the Fund discloses: all payments to trustees (our Trustees do not receive 'pay' but are recompensed for valid transport and subsistence expenses); the number of staff in receipt of more than £60,000 and above (in bands of £10,000); and, pensions and other benefits.

Statement of Trustees' Responsibilities

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- 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 Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 and the provisions of its Royal Charter.

They are also responsible for safeguarding the assets of the Charity 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 Charity's auditor is unaware;
- They have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustee Declaration

Trustees, as company directors, hereby approve the 2015 Annual Report and the 2015 Strategic Report which is embedded within it.



Lawrie Haynes

Chairman, Royal Air Force Benevolent Fund

Principle Professional Advisers

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London EC1M 7AD

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Lloyds Bank plc
Coxs and Kings Branch
7 Pall Mall
London SW1Y 5NA

Solicitors

Charles Russell Speechleys LLP
5 Fleet Place
London EC4H 7RD

Shepherd and Wedderburn LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2ET

Custodian Trustees

The Northern Trust Corporation
155 Bishopsgate
London EC2M 3XS

BNY Mellon
160 Queen Victoria Street
London EC4V 4LA

Investment Managers

Newton Investment Management Ltd
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London EC4M 8BU

Aberdeen Asset Management plc
Bow Bells House
1 Bread Street
London EC4M 9HH

Actuary

Broadstone Corporate Benefits Ltd
55 Baker Street
London W1U 7EU

Independent Auditor's Report

We have audited the financial statements of the Royal Air Force Benevolent Fund for the year ended 31 December 2015, which comprise the Consolidated Statement of Financial Activities, the Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland.

This report is made solely to the Charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011 and in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken for no purpose other than to draw to the attention of the Charity's Trustees those matters which we are required to include 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 any party other than the Charity and Charity's Trustees as a body, for our audit work, for this report, or for the opinion we have formed.

Respective Responsibilities of Trustees and Auditor

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for the preparation of financial statements which provide a true and fair view reflection.

We have been appointed as auditors under section 144 of the Charities Act 2011 and under Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and report to you in accordance with regulations made under that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2015 and of its outgoing resources and application of resources for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 (as amended) and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Matters on Which We Are Required to Report by Exception

We have nothing to report in respect of the following matters where the Charities Act 2011 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Kingston Smith LLP
Statutory auditor
Devonshire House
60 Goswell Road
London EC1M 7AD

Kingston Smith LLP

Date: 12 July 2016

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

Consolidated Statement of Financial Activities

For the year ended 31 December 2015

	Note	Unrestricted Funds	Restricted Funds	Endowed Funds	2015 Total	Unrestricted Funds	Restricted Funds	Endowed Funds	2014 Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:	2							-	
Donations and legacies		13,415	1,938	-	15,353	14,089	1,423	-	15,512
Charitable activities		1,707	16	-	1,723	1,694	15	-	1,709
Other trading activities		754	11	-	765	497	15	-	512
Investments		1,299	124	4	1,427	1,819	118	3	1,940
Other income		4,946	-	-	4,946	1,473	529	-	2,002
Total income		22,121	2,089	4	24,214	19,572	2,100	3	21,675
Expenditure on raising funds:									
Donations and legacies		3,556	-	-	3,556	3,849	11	-	3,860
Other trading activities		520	13	-	533	117	0	-	117
Investments		369	-	-	369	161	0	-	161
		4,445	13	-	4,458	4,127	11	-	4,138
Expenditure on charitable activities:					-				
Direct support to individuals		8,172	236	-	8,408	8,588	134	-	8,722
Welfare programmes		1,899	169	-	2,068	1,815	314	-	2,129
Residential and respite care		3,313	656	-	3,969	3,447	640	-	4,087
Housing Trust support		2,560	127	-	2,687	2,151	22	-	2,173
External grants		1,048	-	-	1,048	920	46	-	966
		16,992	1,188	-	18,180	16,921	1,156	-	18,077
Total expenditure	3	21,437	1,201	-	22,638	21,048	1,167	-	22,215
Net (losses)/gains on investments	12	684 (710)	888 (18)	4 (4)	1,576 (732)	(1,476) 382	933 (8)	3 135	(540) 509
Net (loss)/income		(26)	870	-	844	(1,094)	925	138	(31)
Other recognised gains and losses:									
Actuarial losses on defined benefit pension scheme	16	(146)	-	-	(146)	(1,458)	-	-	(1,458)
Net movement in funds		(172)	870	-	698	(2,552)	925	138	(1,489)
Total funds brought forward		113,988	3,785	5,077	122,850	116,540	2,860	4,939	124,339
Total funds carried forward	20	113,816	4,655	5,077	123,548	113,988	3,785	5,077	122,850

Consolidated and Charity Balance Sheets As at 31 December 2015

	Note	Group 2015	Group 2014	Charity 2015	Charity 2014
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10	543	996	543	996
Tangible assets	11	34,311	35,823	11,272	11,506
Investments	12	66,680	67,370	62,881	63,359
Loans to beneficiaries	13	13,039	14,390	13,039	14,390
		114,573	118,579	87,735	90,251
Current assets					
Stock		28	79	2	33
Debtors and prepayments	14	2,483	3,677	17,901	21,540
Cash at bank and in hand		14,185	8,528	12,366	7,073
		16,696	12,284	30,269	28,646
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	15	(1,655)	(2,004)	(1,579)	(1,885)
Net current assets		15,041	10,280	28,690	26,761
Net assets excluding long term liabilities and pension liability		129,614	128,859	116,425	117,012
Defined benefit pensions liability	16	(6,066)	(6,009)	(6,066)	(6,009)
Total net assets		123,548	122,850	110,359	111,003
Funds					
Endowed		5,077	5,077	5,076	5,077
Restricted		4,655	3,785	4,654	3,785
Unrestricted – designated funds		-	3,000	-	3,000
Unrestricted – general funds		119,882	116,997	106,695	105,150
Pension reserve		(6,066)	(6,009)	(6,066)	(6,009)
	20	123,548	122,850	110,359	111,003

Approved by the Board of Trustees on 7 June 2016 and signed on its behalf by



Lawrie Haynes
Chair, Board of Trustees

Statement of Cash Flows For the year ended 31 December 2015

	2015	2014
	£'000	£'000
Cash flows from operating activities:		
Net cash used in operating activities	(1,753)	(3,387)
Cash flows from investing activities:		
Dividends and interest from investments	1,427	1,940
Proceeds from the sale of property	6,247	2,219
Purchase of property plant and equipment	(1,287)	(1,209)
Proceeds from sale of investments	(42)	2,278
Net cash provided by investing activities	6,345	5,228
Cash flows from financing activities:		
Loans awarded	(577)	(574)
Loan repayments	1,642	1,641
Net cash provided by financing activities	1,065	1,067
Change in cash and cash equivalents in the year ended 31 December 2015	5,657	2,908
Cash and cash equivalents as at 1 January 2015	8,528	5,620
Change in cash and cash equivalents as at 31 December 2015	14,185	8,528
Reconciliation of net income/(expenditure) to net cash flow from operating activities/outgoing resources		
Net income/(expenditure) for the year ended 31 December 2015	844	(30)
Adjustments for:		
Depreciation charges	1,776	1,880
(Gains)/losses on investments	732	(510)
Dividends and interest from investments	(1,427)	(1,940)
Loss/(profit) on the sale of fixed assets	(4,772)	(839)
Provision for loan conversions	(43)	(13)
Loan interest	(122)	(124)
Loans converted to grants	173	16
Loans written off	278	-
Decrease/(increase) in stock	51	(9)
Decrease/(increase) in debtors	1,194	(1,651)
(Decrease)/increase in creditors	(349)	469
Pension interest income	212	(362)
Pension fund costs	(300)	(274)
Net cash used in operating activities	(1,753)	(3,387)
Analysis of cash and cash equivalents		
Cash in hand		
Cash in hand	11,810	5,161
Deposit account 32 day notice	2,375	3,367
Total cash and cash equivalents	14,185	8,528

Notes to the Financial Statements

For the year ended 31 December 2015

1. Accounting Policies

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

Accounting Convention

These financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity and its subsidiaries are public benefit entities 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 (The FRS 102 Charities SORP), 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 21.

FRS 102 has been adopted for the first time in preparing these financial statements. The transition date to FRS 102 was 1 January 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 December 2014. The transition has meant that governance costs are not shown separately but included in Support costs. Intangible fixed assets are also shown separately.

Going Concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have concluded that there are no possible events or conditions that might cast doubt on the ability of the Charity to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of the approval of the financial statements considering in particular the level of reserves held by the Charity and future financial plans and forecasts. The Trustees are assured that there are 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 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 will be set out in the notes to the financial statements when applicable. No funds were designated as at 31 December 2015.

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 shown separately in the accounts on page 62. 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 and Endowments

Income is recognised in the statement of financial activities (SOFA) when the Charity becomes entitled to it, it is more likely than not that the gift 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.

Notes to the Financial Statements for the year ended 31 December 2015

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. 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 have been classified as Information Technology and Facilities, Depreciation, General Management and Administration, Finance, HR and Payroll and Governance. These costs have been allocated to activities on a basis consistent with the use of resources. Indirect costs have been apportioned on a head count basis or in proportion to direct costs or income.

Tangible Fixed Assets and Depreciation

Tangible fixed assets costing more than £1,000 (£5,000 in the Housing Trust) 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 fifty years
- leasehold buildings over the life of the lease
- leasehold improvements over thirty years
- project and office equipment over five years
- computer equipment over three years
- motor vehicles over five years
- equipment held under finance leases over the life of the lease

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 £1,000.

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.

Financial Instruments

The company 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 company’s balance sheet when the company 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 14 and 15 to the accounts.

Judgements and Key Sources of Estimation Uncertainty

In the application of the company’s accounting policies, the directors 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, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

Unsecured loans - A small proportion of loans to beneficiaries are not secured and therefore a general provision for non-repayment is made. The calculation of this provision is based on the historical average rate of default and equates to 10% of the total value of unsecured loans at the balance sheet date.

Notes to the Financial Statements for the year ended 31 December 2015

Finance and Operating Leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred. Assets purchased under finance leases are capitalised as fixed assets. Obligations under such agreements are included in creditors. The difference between the capitalised cost and the total obligation under the lease represents the finance charges. Finance charges are written off to the SOFA over the period of the lease so as to produce a constant periodic rate of charge.

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.

Grant Commitments

Grants awarded are provided 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. Grants awarded subject to explicit conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the financial statements as a contingent liability.

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.

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

The Charity operates a defined benefit pension scheme and a defined contribution pension scheme, both of which require contributions to be made to separately administered funds.

Defined Benefit Scheme

The Principal Employer, the Royal Air Force Benevolent Fund ("the Fund") operates a final salary defined benefit scheme for its employees. Any purely defined contribution assets and liabilities in this Scheme have been excluded.

The Royal Air Force Benevolent Fund Staff Pension Fund ("the scheme") commenced on 1 January 1970 and is closed to both future accrual and to new members.

Pension benefits are based on historic length of service and final salary. On retirement members can opt for a lump sum and a lower pension.

The estimated average duration of the past service liabilities is approximately 17 years.

Under the regulations, a funding valuation is required to take place every three years. If the valuation shows that the scheme is in deficit, contributions to eliminate the deficit will be payable over an agreed period.

Under the Schedule of Contributions agreed as part of the actuarial valuation as at 31 December 2014, the Fund will pay £100,000 during 2016, followed by £41,667 per calendar month until 31 January 2020.

Based on the current schedule of contributions, it is expected that the Fund's contributions to the Scheme over the accounting year to 31 December 2016 will be £100,000.

The most recent valuation was at 31 December 2014.

Defined Contribution Scheme

This Scheme is a Group Personal Pension plan made up of a collection of individual pension plans arranged by the Fund. Each individual plan is designed to help employees invest for their retirement. The Fund makes a contribution to each plan based on salary and the employee has the option to make additional contributions.

The Charity accounts for pension schemes in accordance with FRS102 (Employee Benefits).

Notes to the Financial Statements for the year ended 31 December 2015

2 Income and Endowments

	Unrestricted	Restricted	Endowed	Total 2015	Unrestricted	Restricted	Endowed	Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Donations and legacies								
Royal Air Force service personnel	1,615	-	-	1,615	1,660	-	-	1,660
Royal Air Force other income	-	-	-	-	202	-	-	202
General donations	2,728	1,032	-	3,760	1,154	749	-	1,903
LIBOR funding	-	500	-	500	1,020	-	-	1,020
Legacy income	9,072	406	-	9,478	10,053	674	-	10,727
	13,415	1,938	-	15,353	14,089	1,423	-	15,512
Charitable activities								
Housing	1,033	16	-	1,049	1,008	15	-	1,023
Residential and respite care	552	-	-	552	562	-	-	562
Loan interest	122	-	-	122	124	-	-	124
	1,707	16	-	1,723	1,694	15	-	1,709
Other trading activities								
Income from fundraising events	612	11	-	623	356	-	-	356
Trading income	126	-	-	126	122	15	-	137
Rental income	16	-	-	16	19	-	-	19
	754	11	-	765	497	15	-	512
Investment income								
Dividends from pooled funds	834	108	4	946	1,107	107	3	1,217
Dividends from fixed interest securities	445	-	-	445	645	-	-	645
Interest earned	20	16	-	36	67	11	-	78
	1,299	124	4	1,427	1,819	118	3	1,940
Other income								
Profit on the sale of fixed assets	4,682	-	-	4,682	839	-	-	839
Pension interest income	-	-	-	-	362	-	-	362
Administration fee	254	-	-	254	265	-	-	265
Administration recovery	10	-	-	10	7	-	-	7
RAF Disabled Holiday Trust	-	-	-	-	-	529	-	529
	4,946	-	-	4,946	1,473	529	-	2,002
Total income	22,121	2,089	4	24,214	19,572	2,100	3	21,675

Notes to the Financial Statements for the year ended 31 December 2015

3a Analysis of Expenditure

	Direct Costs	External Grants	Support Costs	Total 2015	Direct Costs	External Grants	Support Costs	Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds								
Donations and legacies	1,325	-	1,242	2,567	1,481	-	901	2,382
Regional engagement	989	-	-	989	919	-	559	1,478
Other trading activities	348	-	186	534	73	-	44	117
Investments	369	-	-	369	161	-	-	161
	3,031	-	1,428	4,459	2,634	-	1,504	4,138
Charitable activities								
Direct support to individuals	7,169	-	1,239	8,408	6,965	-	1,757	8,722
Welfare programmes	100	1,608	359	2,067	17	1,697	415	2,129
Residential and respite care	3,305	200	464	3,969	3,431	212	444	4,087
Housing Trust support	2,214	-	473	2,687	1,785	-	388	2,173
External grants	37	830	181	1,048	16	757	193	966
	12,825	2,638	2,716	18,179	12,214	2,666	3,197	18,077
Total	15,856	2,638	4,144	22,638	14,848	2,666	4,701	22,215

Regional Engagement

The role of our Regional teams in the last couple of years has focused more broadly on engaging with our supporters regionally and with RAF stations, even though they continue to contribute to our Welfare activities. The costs of our regional teams are now shown as part of expenditure incurred in Raising Funds and the 2014 accounts have been adjusted to reflected this. Total cost in 2015 was £988,737 (2014: £918,928).

Notes to the Financial Statements for the year ended 31 December 2015

3b Analysis of Support Costs

	Raising Funds	Direct Support to Individuals	Welfare Programmes	Residential and Respite Care	Housing Support	External Grants	Total 2015		Raising Funds	Direct Support to Individuals	Welfare Programmes	Residential and Respite Care	Housing Support	External Grants	Total 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Information technology and facilities	441	332	96	124	127	49	1,169		344	413	97	104	91	45	1,094
Depreciation	351	428	124	160	163	63	1,289		334	401	95	102	89	44	1,065
General management and administration	240	181	52	68	69	26	636		273	329	78	83	72	36	871
Finance	247	186	54	70	71	27	655		222	267	63	67	59	29	707
HR and Payroll	76	57	17	21	22	8	201		188	226	53	57	50	25	599
Governance	73	55	16	21	21	8	194		143	122	29	31	27	13	365
Total	1,428	1,239	359	464	473	181	4,144		1,504	1,758	415	444	388	192	4,701

4 Support Costs

Direct support costs are allocated to the following functions:

- Information Technology and Facilities
- Depreciation
- General management and Administration
- Finance
- HR and Payroll
- Governance

General support costs are apportioned to the above functions on a headcount basis.

Total support costs are then apportioned to Fundraising and Welfare on a headcount basis and in proportion to direct charitable welfare respectively.

5 FRS 102 Reconciliation

To comply with FRS 102 the following adjustments were made to the 2014 accounts:

Governance costs:

	2014 Restated	2014 Previously	2014 Change
	£'000	£'000	£'000
Governance costs have been reappportioned as follows:			
Fundraising	1,505	1,356	148
Welfare	2,895	2,610	286
Governance	-	434	(434)
	4,400	4,400	-

Intangible Fixed Assets

The net book value of intangible assets as at 31 December 2014 was £1.128m. This was previously included in fixed assets but is now shown separately.

Notes to the Financial Statements for the year ended 31 December 2015

6 Staff Costs

	2015	2014
	£'000	£'000
Wages and salaries	4,335	4,371
Social security costs	426	448
Pension costs	400	455
Termination & redundancy costs	20	19
	5,181	5,293

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

	2015	2014
£60,001 - £70,000	3	3
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	1	2
£100,001 - £110,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	-	-
£140,001 - £150,000	1	-
	7	9

In 2015 the Controller ceased to reside in the accommodation provided by the RAFBF and the property was sold in accordance with the Charity Act. An annual allowance of £20,000 was paid in lieu and this is included in the salary banding above.

Six employees 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 RAFBF benchmarks salaries against the XpertHR voluntary sector salary survey.

The average number of employees, calculated on a full time equivalent basis, analysed by function was:

	2015	2014
Charitable activities	109	106
Cost of generating funds	38	39
Governance, administration and support	16	17
	163	162

Key Management Personnel

The key management personnel of the RAF Benevolent Fund make up the Executive Policy Group (EPG). This senior management team includes the Controller, the Director of Welfare and Policy, the Director of Strategy and Fundraising and the Director of Finance. Total employee benefits received by EPG for services to the RAFBF in 2015 were £478,000. (2014: £461,000).

8 Net Income for the Year is Stated After Charging

	2015	2014
	£'000	£'000
Audit fees – current year	35	37
Audit fees – other	-	7
Internal audit fees	49	37
Custodian trustee	11	4
Investment management fees	444	157
Amortisation	520	498
Depreciation	1,256	1,382

9 Trustees' Remuneration

The Trustees neither received nor waived any emoluments during the year 2015 (2014: £nil)

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

	2015	2014	2015	2014
	Number	Number	£	£
Travel	2	5	2,158	3,692

10 Intangible Assets

Software costs

	£'000	£'000
	2015	2014
Cost on 1 January	1,494	1,494
Additions during the year	67	-
Cost at 31 December	1,561	1,494
Amortisation at 1 January	(498)	0
Amortisation for the year	(520)	(498)
Accumulated amortisation at 31 December	(1,018)	(498)
Net book value 31 December 2015	543	996
Net book value 31 December analysed as follows:		
Headquarters – London	543	996
Total Charity	543	996
Group	543	996

Notes to the Financial Statements for the year ended 31 December 2015

11 Tangible Fixed Assets

	Property 2015	Equipment 2015	Total 2015	Property 2014	Equipment 2014	Total 2014
	£'000	£'000	£'000			£'000
Cost on 1 January	42,982	3,496	46,478	43,920	3,006	46,926
Additions during the year	1,066	154	1,220	678	531	1,209
Disposals during the year	(1,838)	(3)	(1,841)	(1,615)	(41)	(1,656)
Cost at 31 December	42,210	3,647	45,857	42,983	3,496	46,479
Depreciation at 1 January	(7,829)	(2,826)	(10,655)	(7,133)	(2,417)	(9,550)
Depreciation for the year	(927)	(329)	(1,256)	(932)	(450)	(1,382)
Depreciation on disposals during the year	362	3	365	235	41	276
Accumulated depreciation at 31 December	(8,394)	(3,152)	(11,546)	(7,830)	(2,826)	(10,656)
Net book value 31 December	33,816	495	34,311	35,153	670	35,823

Net book value 31 December analysed as follows:

Gulf Trust Fund	159	-	159	172	-	172
Princess Marina House	4,119	399	4,518	3,856	381	4,237
RAFBF/RAFA residential and respite homes	855	-	855	881	-	881
Headquarters – London	5,644	96	5,740	5,927	289	6,216
Charity	10,777	495	11,272	10,836	670	11,506
RAFBF Housing Trust Ltd	23,039	-	23,039	24,317	-	24,317
Group	33,816	495	34,311	35,153	670	35,823

The net book value of properties comprises:

Freehold	32,788	34,056
Long leasehold	1,028	1,097
	33,816	35,153

12 Fixed Asset Investments

	Group 2015	Group 2014	Charity 2015	Charity 2014
	£'000	£'000	£'000	£'000
Market value as at 1 January	67,370	69,139	63,359	65,051
Net additions/(withdrawals)	42	(2,278)	42	(2,188)
Net investment gains/(losses)	(732)	509	(520)	496
Market value at 31 December	66,680	67,370	62,881	63,359
Net assets at historical cost at 31 December	65,948	65,439	62,963	62,878
UK listed investments are represented by:				
Fixed interest securities	22,355	21,526	21,085	21,525
Pooled funds & unit trusts	43,811	45,352	41,283	41,342
RAF Disabled Holiday Trust Bonds	469	487	469	487
Investment properties	3	3	3	3
Cash	42	2	41	2
Total	66,680	67,370	62,881	63,359

RAFBF is the sole trustee of the RAF Disabled Holiday Trust whose net assets to the value of £470k are included within investments. Also included is the Charity's share capital in the RAFBF Trading Co Ltd, the results of this subsidiary entity are shown in Note 21.

13 Loans to Beneficiaries

	Group 2015	Group 2014	Charity 2015	Charity 2014
	£'000	£'000	£'000	£'000
Balance as at 1 January	14,390	15,336	14,390	15,336
New loans	577	574	577	574
Interest charged	122	124	122	124
	15,089	16,034	15,089	16,034
Repayments	(1,642)	(1,641)	(1,642)	(1,641)
Loans converted to grants	(173)	(16)	(173)	(16)
Bad debts written off	(278)		(278)	
Provision for loan conversion	43	13	43	13
Balance at 31 December	13,039	14,390	13,039	14,390

Properties held by the Housing Trust and loans to beneficiaries are in connection with charitable activities. Properties are held so that beneficiaries including wounded and injured or sick personnel who have been medically discharged from the RAF, can live in suitable accommodation. Properties are stated at historical cost. Loans are provided so that beneficiaries can continue to live in their own homes. Loan interest is charged depending on the nature of the case and where applicable, the interest rate is substantially below commercial rates. The outstanding loans include balances totalling £12.6m (2014 - £13.6 m) which are secured by legal charges on the assets of the beneficiaries. The majority of loans have no fixed repayment date and are normally repayable from the beneficiary's estate.

Notes to the Financial Statements for the year ended 31 December 2015

14 Debtors

	Group 2015	Group 2014	Charity 2015	Charity 2014
	£'000	£'000	£'000	£'000
Legacies	1,216	2,153	1,216	2,153
Other debtors	770	1,408	16,188	19,271
Prepayments	497	116	497	116
	2,483	3,677	17,901	21,540

15 Creditors: Amounts Falling Due Within One Year

	Group 2015	Group 2014	Charity 2015	Charity 2014
	£'000	£'000	£'000	£'000
Trade creditors	321	411	299	387
Taxation and social security costs	123	131	123	131
Other creditors	1,211	1,462	1,157	1,367
	1,655	2,004	1,579	1,885

Included within other creditors is an amount of £38,684 relating to outstanding pension contributions due (2014: £nil).

16 Pension Commitments

The FRS 102 calculations have been carried out by an independent qualified actuary and relate to the RAF Benevolent Fund Staff Pension Fund.

	2015	2014
	£'000	£'000
Reconciliation of funded status to balance sheet		
Defined benefit obligation	(29,250)	(30,127)
Fair value of plan assets	23,184	24,118
Net defined benefit (liability)/asset	(6,066)	(6,009)
Unrecognised surplus	-	-
Net defined benefit liability/(asset) after allowance for surplus restriction	(6,066)	(6,009)
The amounts recognised in the statement of financial activities are as follows:		
Current service cost	-	141
Net interest expense/(income) on net defined benefit liability/(asset)	211	223
(Gains)/losses on curtailment	-	(679)
Total pension expense/(credit) recognised in the SOFA	211	(315)
Reconciliation of defined benefit obligation over the year		
Defined benefit obligation as at 1 January 2015	(30,127)	(29,607)
Current service cost	-	(141)
Contributions by members	-	(4)
Interest expenses on defined benefit obligation	(1,058)	(1,274)
Remeasurement – effect of experience adjustments (gain)/loss	(1,081)	285
Remeasurement – effect of changes in assumptions (gain)/loss	1,538	(1,630)
Benefits paid	1,478	1,565
Curtailments	-	679
Defined benefit obligation as at 31 December 2015	(29,250)	(30,127)
Changes in the fair value of plan assets over the year:		
Fair value of plan assets as at 1 January 2015	24,118	24,420
Interest income on plan assets	847	1,051
Remeasurement – return on plan assets excluding interest income (gain)/loss	(603)	(207)
Contributions by employer	300	415
Contributions by members	-	4
Benefits paid	(1,478)	(1,565)
Fair value of plan assets as at 31 December 2015	23,184	24,118
Return on plan assets	(244)	(844)

Notes to the Financial Statements for the year ended 31 December 2015

16 Pension Commitments (cont)

Remeasurements recognised in Other Comprehensive Income (OCI)

	2015	2014
	£'000	£'000
Remeasurement – effect of experience adjustments (gain)/loss	1,081	(285)
Remeasurement – effect of changes in assumptions (gain)/loss	(1,538)	1,630
Remeasurement – return on plan assets excluding interest income (gain)/loss	603	113
Total remeasurement loss recognised in OCI	146	1,458

The Charity is expected to contribute £500,000 to the scheme in 2016.

	2015		2014	
	£'000	%	£'000	%
Assets:				
Target return fund	22,823	98.5%	23,700	98.3%
Cash	1	0.0%	1	0.0%
Bank account balance	567	2.4%	179	0.7%
Net current assets	(207)	-0.9%	238	1.0%
	23,184	100%	24,118	100%

Principal actuarial assumptions at the balance sheet date:

	2015	2014
Discount rate	3.9%	3.6%
RPI inflation rate	3.0%	3.0%
CPI inflation rate	2.0%	2.0%
Increases to pensions in deferment (CPI max 5%)	2.0%	2.0%
Increases to pensions in payment (CPI max 5%)	2.0%	2.0%
Commutation (% of pension)	20%	20%
Future salary increases		
Years to 2015		n/a
Years from 2016		n/a
Mortality – base table	S2PXA	S1PXA
Mortality – allowance for future improvements	CMI 2014	CMI 2014
	0.5% LTR	0.5% LTR
Life expectancies from age 63:		
Male currently aged 63	86.3	86.2
Female currently aged 63	88.4	88.5
Male currently aged 43	86.9	86.8
Female currently aged 43	89.0	89.3

16 Pension Commitments (cont)

Amounts for current and previous four periods are as follows:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(29,250)	(30,127)	(29,607)	(29,935)	(31,224)
Fair value of plan assets	23,184	24,118	24,420	23,620	22,475
Deficit	(6,066)	(6,009)	(5,187)	(6,315)	(8,749)

17 Related Party Disclosure

During the year payments of £49,902 (2014: £67,470) were made by the group to Charles Russell Speechlys Solicitors for professional services. No amount was owed to this firm as at 31 December 2015. Mr Michael Scott, a partner in the firm, is a Director and Trustee of the RAFBF Housing Trust Ltd.

Donations to the value of £800 (2014: £259) were received from individual Trustees in the year.

A donation of £30,000 (2014: £21,000) was received from Rolls-Royce in the year. A Trustee of the Royal Air Force Benevolent Fund is a member of senior management at Roll-Royce.

18 Capital Commitments

There were no capital commitments at the end of the year (2014: nil).

19 Analysis of Group Net Assets Between Funds

	Unrestricted Funds		Restricted Funds		Endowment Funds		Total Funds	
	2015	2014	2015	2014	2015	2014	2015	2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December are represented by:								
Tangible fixed assets	34,695	36,646	159	173	-	-	34,854	36,819
Loans to beneficiaries	12,901	14,250	138	140	-	-	13,039	14,390
Investments	61,133	61,806	470	487	5,077	5,077	66,680	67,370
Current assets	13,015	9,134	3,888	2,986	-	164	16,903	12,284
Current liabilities	(1,862)	(1,839)	-	(1)	-	(164)	(1,862)	(2,004)
Pension liability	(6,066)	(6,009)	-	-	-	-	(6,066)	(6,009)
Total net assets	113,816	113,988	4,655	3,785	5,077	5,077	123,548	122,850

Notes to the Financial Statements for the year ended 31 December 2015

20 Statement of Funds

	At 1 January 2015	Income	Expenditure	Other Recognised Gains/ (losses)	Transfers	At 31 December 2015		At 1 January 2014	Income	Expenditure	Other Recognised Gains/ (losses)	Transfers	At 31 December 2014
	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
General reserve	116,997	22,120	(21,226)	(709)	2,700	119,882		118,727	19,210	(20,908)	383	(415)	116,997
Designated funds	3,000	-	-		(3,000)	-		3,000	-	-		-	3,000
Total unrestricted funds	119,997	22,120	(21,226)	(709)	(300)	119,882		121,727	19,210	(20,908)	383	(415)	119,997
Restricted income funds – see schedule on page 64	3,785	2,089	(1,201)	(18)	-	4,655		2,860	2,100	(1,166)	(9)	-	3,785
Endowment funds – see schedule on page 62	5,077	4	-	(4)	-	5,077		4,939	3	-	135	-	5,077
Pension reserve	(6,009)	-	(211)	(146)	300	(6,066)		(5,187)	362	(141)	(1,458)	415	(6,009)
Total funds	122,850	24,213	(22,638)	(877)	-	123,548		124,339	21,675	(22,215)	(949)	-	122,850

Unrestricted Funds

£3m (2014: £3m) previously designated for the Head Office Building Fund has been transferred back to general reserves as there is no plan to expend this amount in the foreseeable future.

The transfer of £300k (2014: £415k) from general reserves to the pension reserve represents the Charity's contribution paid into the pension scheme in the year.

Restricted Income Funds – Over £100,000

Bomber Command Memorial	Maintenance of the Bomber Command Memorial in Green Park, Piccadilly.
Fulmer Fund	These funds are held for those of the serving RAF in need of maternity services, post-natal services or the provision of childcare facilities on RAF bases.
Gulf Trust	The funds are held in a ring-fenced fund for the benefit of RAF Gulf war veterans.
Lowe Trust	Supports Battle of Britain veterans and their descendants.
LIBOR Fund: Housing	This is the element of LIBOR funding received that will be used to refurbish Princess Marina House, carry out property adaptations and repairs, and fund family support services.
LIBOR Fund: Afghanistan	This is the element of LIBOR funding received that will be used to support beneficiaries who served in Afghanistan.
RAF Disabled Holiday Trust	Providing holidays to disabled serving and ex-RAF personnel and their immediate dependants.

Endowment Funds – Over £100,000

E H Jubb Fund	For the benefit of aircrew, their widows and dependants.
Newton Driver Memorial Fund	For the general purposes of the Fund and the upkeep of the property at Rustington.
Viscount Nuffield Endowment	Income used for general purposes.
Hector Pilling Memorial Fund	To provide financial assistance for foundationers at the Duke of Kent School.
RAF Prize Trust	To help with the education of dependants of deceased members of the RAF killed on duty or attributable to Service.
Douglas Turner Benefaction	To be used for the assistance or benefit, including education of former or future pilots and navigators and their dependants.
RAFBF Educational Endowment Fund	To promote the education of the children of members of the Royal Air Force.
RAFBF Educational Expendable Fund	To promote the education of the children of members of the Royal Air Force.
Peter Henry Slater-Eiggert Memorial Fund	For the benefit of ex-members and dependants of 83 Squadron.

Notes to the Financial Statements for the year ended 31 December 2015

21 Subsidiary Entities

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

	RAFBF Trading Co Ltd 2015	RAFBF Trading Co Ltd 2014	RAFBF Dependants Fund 2015	RAFBF Dependants Fund 2014	RAFBF Dependants Income Trust 2015	RAFBF Dependants Income Trust 2014	RAFBF Housing Trust Ltd 2015	RAFBF Housing Trust Ltd 2014	RAF Disabled Holiday Trust 2015	Subsidiary Entities 2015	Subsidiary Entities 2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income from:											
Donations	-	-	-	-	-	-	-	-	37	37	-
Investments	-	-	127	106	-	-	-	-	-	127	106
Other trading activities	126	158	-	-	-	-	-	-	-	126	158
Charitable activities	-	-	-	-	-	-	1,016	992	-	1,016	992
Profit on sale of properties	-	-	-	-	-	-	1,841	839	-	1,841	839
Commission	-	-	190	196	64	69	-	-	-	254	265
	126	158	317	302	64	69	2,857	1,831	37	3,401	2,360
Expenditure on:											
Charitable activities	46	-	150	225	41	44	1,448	1,306	4	1,689	1,575
Raising funds	-	-	-	-	-	-	-	-	-	-	-
Other trading activities	61	112	-	-	-	-	-	-	-	61	112
Management and administration	13	52	25	27	24	26	-	-	-	62	105
	120	164	175	252	65	70	1,448	1,306	4	1,812	1,792
Net gains/(loss) on investment assets	-		(213)	13	-	-	-	-	(18)	(231)	13
Per statement of financial activities	6	(6)	71	63	(1)	(1)	1,409	525	15	1,358	581

Notes to the Financial Statements for the year ended 31 December 2015

21 Subsidiary Entities (cont)

RAFBF Trading Ltd

Company Number 07768120

A company set up for RAFBF to conduct trading in support of its charitable objectives. The company donated £45,901 to the charity in 2015. (2014: Nil)

RAFBF Dependants Fund

Charity Number 253492

A charity with the RAF Benevolent Fund as sole corporate trustee. Set up to promote the efficiency of the Royal Air Force through relieving dependants of deceased serving personnel from financial distress. There were 10 deaths in 2015 (2014: 15) and the dependants were paid £15,000 in each case.

RAFBF Dependants Income Trust

Company Number 01285364

A company set up for RAFBF Dependants Fund subscribers to make further financial provision for their dependants in the event of their death in service. There were 10 deaths in 2015 (2014:15) and consequently beneficiaries received £1.2m (2014: £1.3m) through this scheme. The company donated £40,585 to the charity in 2015 (2014: £43,508).

RAFBF Housing Trust Ltd

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.

RAF Disabled Holiday Trust

Charity Number 268019

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

External Grants and Welfare Programmes

For the year ended 31 December

Support to the Serving Royal Air Force

	2015	2014
	£	£
Citizens Advice Station Outreach Clinic:		
Mid Lincolnshire CAB (RAF Digby, Coningsby, Cranwell)	10,000	-
Dacorum CAB (RAF Halton)	2,300	-
Hillingdon & Ealing CAB (RAF Northolt)	7,200	-
Lincoln and District CAB (RAF Waddington)	7,500	6,000
Norfolk CAB (RAF Marham)	11,500	-
Rutland CAB (RAF Wittering)	8,300	8,000
Oxfordshire South & Vale	-	3,000
West Oxfordshire CAB (RAF Brize Norton)	10,200	15,000
Sleaford and District	-	10,000
South Kesteven	-	1,000
	57,000	43,000
RAF Stations:		
RAF Benson – Youth club and junior ranks mess refurbishment	15,000	-
RAF Boulmer – Childcare centre	20,000	-
RAF Brize Norton – Youth club refurbishment	10,000	-
RAF Coningsby – Community centre furniture	3,280	-
RAF Cosford – Low ropes course and trim trail	26,000	-
RAF Cranwell – Trim trail and families day	21,150	-
RAF Honington – Buggy park and trim trail	23,410	-
RAF Leeming – Play hanger refurbishment and sensory room	30,000	-
RAF Lossiemouth – Soft play area and trim trail	46,333	-
RAF Lossiemouth – Education roadshows for children	-	1,000
RAF Marham – Nursery footpath	2,977	-
RAF Marham – Bus shelters, trim trail and community centre furnishings	-	9,538
RAF St Mawgan – Post traumatic stress disorder training day	-	2,000
RAF Walton – Families club	1,000	-
RAF Wittering – Youth drop-in centre	15,000	-
RAF Wyton – Childcare centre	40,000	-
RAF Families Federation	15,000	15,000
	269,150	27,538
Relate Programme		
Relate – Relationship counselling	81,116	89,476
Relate – Building Stronger Families	71,925	-
	153,041	89,476
Airplay Programme		
RAF stations – Youth support programmes	1,190,198	1,300,333
RAF Stations – Ben Play Parenting and play parks	264,767	342,146
	1,454,965	1,642,479
Support to the serving Royal Air Force	1,934,156	1,802,493

External Grants and Welfare Programmes (cont)

Support to the Veterans' Community		
	2015	2014
	£	£
Age Concern Spain – ACASA	17,500	15,000
Alzheimer's Society	20,000	-
Band of RAF College	2,500	-
COBSEO	9,000	7,500
Combat Stress (in addition to individual support)	93,140	300,000
Czech Veterans	4,440	5,250
East Midlands Veteran and Pensions Committee	400	400
Families' Activity Breaks	10,000	10,000
National Association of Swimming Clubs for the Handicapped	500	500
National Gulf Veterans & Families Association	14,000	-
On Course Foundation	13,500	13,994
Pathfinder Veterans Support (RAF Wyton)	-	300
Polish Veterans	4,200	4,200
Poppy Scotland – ASAP	20,000	25,000
RAF Widows' Association	12,700	6,500
Restoration of Appearance and Function Trust (RAFT)	-	500
Royal Commonwealth Ex-Services League	17,100	28,000
Slovak Veterans	6,600	7,350
South Kesteven CAB	1,000	-
Spinal Injury Association	8,500	8,500
SSAFA	100,000	100,000
The Not Forgotten Association	20,000	20,000
The Poppy Factory	10,000	-
Veterans Aid	25,000	19,000
Veterans Outreach Support	8,000	-
Veterans Scotland	5,000	5,000
WWV (Formerly known as Worldwide Volunteering)	7,500	-
	430,580	576,994
Employment Support		
High Ground	6,000	
Queen Elizabeth Foundation for the Disabled		8,000
Recruit for Spouses		10,000
Regular Forces Employment Association	54,680	51,000
Salute My Job!	12,750	
St Loye's Foundation		10,000

External Grants and Welfare Programmes (cont)

	73,430	79,000
	2015	2014
	£	£
Alabre Christian Care Centres	15,000	-
Broughton House	18,000	20,000
Erskine		20,000
Gardening Leave		5,000
Home Farm Trust	10,000	15,000
Queen Alexandra Hospital Home	20,000	20,000
Royal Star and Garter Homes	12,000	10,000
Scottish Veterans Residences	10,000	-
Sue Ryder (Prague)	5,000	3,000
The Chaseley Trust		939
The Curphey Home	12,000	6,000
Zimbabwe National Emergency	20,000	25,000
	122,000	124,939
Support for Disabled/Disadvantaged		
Blind Veterans UK		25,000
Forces Children's Trust		1,020
Lord Kitchener Memorial Holiday Centre	8,000	8,500
Mutual Support	7,500	
Revitalise	18,000	15,780
Royal Air Force Disabled Holiday Trust	34,379	32,639
Stoll	10,000	
The Gwenneli Trust	500	500
	78,379	83,439
Total support to the veterans' community		
	704,389	864,372
Total external grants to third parties		
	2,638,545	2,666,865

Endowment Funds

The purpose of funds exceeding £100,000 is set out under note 20.

	As at 1 January 2015	Net Income	Unrealised loss	As at 31 December 2015
	£	£	£	£
Permanent endowment funds with unrestricted income				
Pilot Officer J P L Branson Memorial Fund	41,270	29	(36)	41,263
Pilot Officer James Erskine Cuning Memorial Fund	38,841	27	(34)	38,834
Flying Officer L S Delaney Trust	11,282	8	(10)	11,280
Paddy Finucane Memorial Fund	16,808	12	(15)	16,805
Louise Alice Kay Memorial Fund	34,722	24	(30)	34,716
Mosquito Memorial Fund	9,756	7	(9)	9,754
Flying Officer Douglas Frank Newsham Memorial Fund	31,000	22	(27)	30,995
Viscount Nuffield Endowment	897,438	626	(786)	897,278
Helen Mary Renton Fund	36,633	25	(32)	36,626
RAF Rugby Union Fund	43,081	30	(38)	43,073
Peter Henry Slater-Eiggert Memorial Fund	123,616	86	(108)	123,594
The Revd. James Edmund Strickland Memorial Fund	89,040	62	(78)	89,024
	1,373,487	958	(1,203)	1,373,242
Expendable endowment funds with unrestricted income				
Flying Officer William Dron Memorial Fund	2,082	1	(2)	2,081
Frederick Eley Fund	4,014	3	(4)	4,013
Wing Commander J Higginson Fund	8,194	6	(7)	8,193
Peter Grattan Holt Memorial Fund	42,700	30	(37)	42,693
E H Jubb Fund	284,423	198	(249)	284,372
Middle East Relief Fund	36,326	25	(32)	36,319
Morley Fund	5,955	4	(5)	5,954
Orlebar Memorial Fund	6,738	5	(6)	6,737
Shattock Memorial Scholarship Fund	10,117	7	(9)	10,115
Wooding Memorial Fund	7,219	5	(6)	7,218
	407,768	284	(357)	407,695

Endowment Funds (cont)

	As at 1 January 2015	Net Income	Unrealised loss	As at 31 December 2015
	£	£	£	£
Permanent endowment funds where the use of the income is restricted				
Newton Driver Memorial Fund	1,822,235	1,271	(1,595)	1,821,911
Group Captain W E Purdin Memorial Fund	2,326	1	(2)	2,325
RAFBF Educational Endowment Fund	461,446	321	(404)	461,363
Douglas Turner Benefaction	109,840	76	(96)	109,820
	2,395,847	1,669	(2,097)	2,395,419
Expendable endowment funds where the use of the income is restricted				
Mrs H M Jereham Memorial Fund	25,315	21	(22)	25,314
Lord Knollys Holiday Fund	9,624	7	(8)	9,623
Hector Pilling Memorial Fund	536,380	374	(470)	536,284
Lord Portal Fund	2,457	2	(2)	2,457
RAF Prize Trust	204,980	143	(179)	204,944
RAFBF Educational Expendable Fund	121,086	84	(106)	121,064
	899,842	631	(787)	899,686
Total endowment funds				
	5,076,944	3,542	(4,444)	5,076,042

Restricted Funds

These funds cannot be used for general purposes. They may only be used for the express purpose set out in the Trust Deed.

The purpose of funds exceeding £100,000 is set out under note 14.

	As at 1 January 2015	Income	Expenditure	As at 31 December 2015
	£	£	£	£
Education				
Airplay: LIBOR	6,321	120	6,441	-
Airplay: Other	15,510	245,500	61,010	200,000
Air Vice-Marshall Frank Felgate Memorial Prize	494	2	-	496
Lord Knollys Holiday Fund	-	313	313	-
Hector Pilling	-	17,431	17,431	-
RAF Prize Trust	-	6,661	6,661	-
RAFBF Education	-	85,000	85,000	-
RAFBF Educational Endowment Fund	-	15,962	15,962	-
RAFBF Educational Expendable Fund	-	3,935	3,935	-
Douglas Turner Benefaction	-	3,570	3,570	-
	22,325	378,494	200,323	200,496
RAFBF – Funds				
Alastrean House Amenities Fund	5,892	-	5,892	-
Newton Driver Memorial Fund	-	59,219	59,219	-
Princess Marina House Amenities Fund	89,412	25,429	59,766	55,075
Princess Marina House Shencot/Seacot House	6,645	2,031	8,676	0
Princess Marina House wet rooms: LIBOR	35,535	196	35,731	0
Princess Marina House wet rooms	11,026	61	11,087	-
Princess Marina House other	-	122,092	122,092	-
Princess Marina House Seaside Apartments	74,654	406,097	429,227	51,524
Princess Marina House garden	-	2,857	2,857	-
RAF Memorial	-	1,500	1,500	-
	223,164	619,482	736,047	106,599
Housing				
Adaptations: LIBOR	400,000	2,206	58,061	344,145
Forge House Windows: LIBOR	39,422	217	29,351	10,288
	439,422	2,423	87,412	354,433

Restricted Funds (cont)

	As at 1 January 2015	Income	Expenditure	As at 31 December 2015
	£	£	£	£
Afghan Brain Injury	-	200,000	-	200,000
Afghan: LIBOR	-	500,000	4,821	495,179
Beneficiaries in Scotland	-	820	820	-
Bomber Command Memorial	1,295,545	301,682	29,156	1,568,071
Building Stronger Families: LIBOR	75,339	415	71,925	3,829
Fulmer Fund	238,766	1,317	-	240,083
Group Captain W E Purdain Memorial Fund	491	79	-	570
Gulf Trust	410,546	15,667	39,971	386,242
Individual Support Service	-	7,000	-	7,000
Mrs H M Jerham Memorial Fund	817	827	-	1,644
Lord Portal Fund	539	83	-	622
Lowe Trust	590,468	3,256	7,212	586,512
Barclays Transitional Grants Funding	-	16,000	16,000	-
WW2 Veterans	-	3,500	3,500	-
RAF Disabled Holiday Trust	487,314	37,229	22,191	502,352
	3,099,825	1,087,875	195,596	3,992,104
Total restricted funds	3,784,736	2,088,274	1,219,378	4,653,632

Subsidiary Organisations

The RAF Benevolent Fund Housing Trust Ltd

Companies House: 01058896

Charities Commission: 264636

OSCR: SC038218

Directors / Trustees:

Air Vice-Marshal Simon Dougherty

Ms Victoria Fakehinde

Air Commodore Paul Hughesdon

Air Marshal Chris Nickols

Mr John Michael Elsworth Scott

Ms Alison Wyman

RAFBF Trading Ltd

Companies House: 07768120

Directors:

Mr James Dooley

Ms Victoria Fakehinde

Mr Stephen John Gallico

Air Marshal Chris Nickols

Mr Allan Vaughan

The RAF Dependants Income Trust Ltd

Companies House: 01285364

Directors:

Group Captain Gordon Bettington

Ms Victoria Fakehinde

Ms Arabella Hastie

Air Commodore Paul Hughesdon

Air Marshal Chris Nickols

Mr Allan Vaughan

RAFBF Trustees Ltd

Companies House: 00945083

Directors:

Air Vice-Marshal Simon Dougherty

Ms Victoria Fakehinde

Air Commodore Paul Hughesdon

Air Marshal Chris Nickols

Mr John Michael Elsworth Scott

Ms Alison Wyman

RAF Dependants Fund

Trustee: RAF Benevolent Fund (Reg Charity: 1081009)

Management Committee Members:

Group Captain Gordon Bettington

Ms Victoria Fakehinde

Ms Arabella Hastie

Air Commodore Paul Hughesdon

Air Marshal Chris Nickols

Mr Allan Vaughan

Mr Stuart Turnbull

RAF Disabled Holiday Trust

Trustee: RAF Benevolent Fund (Reg Charity:1081009)

Management Committee Members:

Air Marshal Chris Nickols

Group Captain Mike Neville

Ms Victoria Fakehinde

Ms Fiona Ferguson

Ms Rosalind Hall

Mr John Holt

Air Commodore Paul Hughesdon

Mr Frank Sykes

Mr Anthony Terrett



Corporal
Martyn West
with daughter
Olivia



Royal Air Force Benevolent Fund

For more information on how the
RAF Benevolent Fund can help you
or a family member, or to make a
donation, visit **www.rafbf.org**

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