



**Royal Air Force
Benevolent Fund**
THE HEART OF THE RAF FAMILY

ANNUAL REPORT 2013

Trustees' Report and Accounts
for the year ending 31 December 2013

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.

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CHAIRMAN'S REPORT

As a former Trustee of the Royal Air Force Benevolent Fund, I feel immensely privileged to have been invited to become its Chairman at the start of 2014.

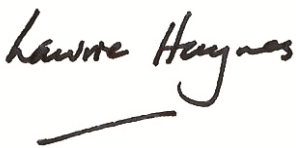
My association with the RAF goes back a long time as I was in the Service for a number of years at the start of my career, and I saw at first-hand the outstanding work that the RAF Benevolent Fund does for those who find themselves in difficulty and need, most often through no fault of their own. I see one of my primary responsibilities as ensuring that the RAF Benevolent Fund remains here to help the RAF Family of the future.

Our income has held up through recent difficulties better than most, largely because of the incredible loyalty and generosity of our many supporters and donors. They understand that all those, whether old or young, who have served their nation and often put themselves into danger on our behalf deserve to be able to live with dignity, whatever their circumstances. And the same is true for their families, who are often asked to make many of the same sacrifices as them.

We were reminded again during the year of past sacrifices while commemorating the 70th anniversary of the famous Dambusters raid in May 1943. While only three of the aircrew who took part in their Lancasters remained alive in 2013, it brought home the spirit of the Royal Air Force and its contribution to so many world events over its short history.

It also once again reinforced the message that it is the people who have made the RAF what it is. Our core mission at the RAF Benevolent Fund remains to support those people, especially when they are in need of help and assistance.

I must also take this opportunity to thank my predecessor, Viscount Trenchard of Wolfeton, for his many years of support to the RAF Benevolent Fund. His stewardship over a period of great change and economic turbulence has ensured that the Charity has constantly adapted to modern needs while remaining in very good financial health to continue its work.

A handwritten signature in black ink that reads "Lawrie Haynes". The signature is written in a cursive style with a long horizontal stroke underneath.

Lawrie Haynes
Chairman of the Royal Air Force Benevolent Fund

CONTROLLER'S REPORT

The past year has been one of change at the RAF Benevolent Fund. To ensure that we can better match our income and expenditure as well as to maximise our support to our beneficiaries through reducing our overhead costs, we have completed a major internal restructure of the Charity.

The results are a significantly leaner and more efficient Head Office which, together with some changes to our regional structure, will eventually give us £1.5m more per year for our welfare work than would otherwise have been available.

No change programme of this scale is easy for an organisation, and particularly for the staff who I must thank for their tireless work through this uncertain period. We are now looking forward to the second phase of this strategy, that of growing and diversifying our income so that we are strongly placed to tackle the welfare issues of the future.

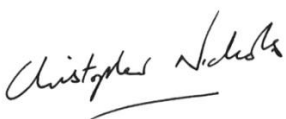
Some things, of course, do not change. The RAF Benevolent Fund's core activity, our day-to-day welfare work, has continued unabated throughout the year. We maintain a wide range of support to our beneficiaries, both old and young, serving and veteran, and also provide financial grants to other organisations who help the RAF Family, often with more specialist work which we cannot undertake ourselves. In this way, we can ensure that a full spectrum of care is available for those who need and deserve our help.

We have also continued to work very closely with other military charities. This not only ensures that we do not overlap with, or inefficiently duplicate, each other's work, but also provides us with the important functions which we do not have ourselves, most notably the caseworkers who are a key part of the assessment of need for the individual welfare grants which we provide.

Many readers will be aware that the number of charities in the military sector has become a subject of wider debate, and we remain acutely aware of the need to ensure that we collaborate closely and efficiently with those who may have similar objectives to us. We believe that the work of the very small number of RAF charities is an example of 'best practice' in this regard, but we are still constantly seeking ways to improve further.

None of this would be possible without the wonderful support which we receive from so many people. Their generosity, both financial and with their time, never ceases to amaze me and is crucial to our ability to continue our work.

Reaching out to more people, whether to make them aware of the help we can give or to remind them that we need their support, is vital for us – and something with which all readers of this review can assist. Please spread the word about our work for those who have served their nation!



Air Marshal Chris Nickols
Controller, Royal Air Force Benevolent Fund

Principals, Trustees and Senior Management Team

Patron

Her Majesty The Queen

President

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

Vice-Presidents

Marshal of the Royal Air Force
Sir Michael Beetham
GCB CBE DFC AFC DL FRAeS

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

Marshal of the Royal Air Force
Sir Keith Williamson
GCB AFC ADC

Air Chief Marshal Sir Michael Graydon
GCB CBE ADC FRAeS

Lady Humphrey
OBE

Air Chief Marshal Sir Richard Johns
GCB KCVO CBE FRAeS

Air Chief Marshal Sir Thomas Kennedy
GCB AFC DL (Deceased 18 November 2013)

Air Chief Marshal Sir Roger Palin
KCB OBE MA FRAeS FIPD

Air Chief Marshal Sir Peter Squire
GCB DFC AFC DSc FRAeS

Sir Adrian Swire
AE DL MA

Council

Chairman

The Viscount Trenchard of Wolfeton
DL
(retired December 2013)

Mr Lawrie Haynes
(appointed January 2014)

Deputy Chairman

Marshal of the Royal Air Force
The Lord Craig of Radley
GCB OBE MA DSc FRAeS
(retired December 2013)

The Viscount Trenchard of Wolfeton
DL
(appointed January 2014)

Honorary Treasurer

Mr A Lea
BA (Hons)

Members

Air Chief Marshal Sir Stephen Dalton
GCB ADC LLD (Hon) BSc FRAeS CCMI RAF
(retired June 2013)

Air Chief Marshal Sir Andrew Pulford
KCB CBE ADC RAF
(appointed July 2013)

Air Vice-Marshal S Dougherty
MSc MBBS FRCP FFOM DAvMed
DObstRCOG FCMI FRAeS

Air Vice-Marshal N Bairsto
CB MBE

Air Commodore A Neal
AFC FCMI

Air Commodore A Vaughan
OBE BA

Mr S Critchley
MA(Hons) D Phil FCA
(appointed November 2013)

Trustees

Chairman

The Viscount Trenchard of Wolfeton
DL
(retired December 2013)

Mr L Haynes
D Eng BA (Hons) FCILTR FRSA
(appointed January 2014)

Honorary Treasurer

Mr A Lea
BA (Hons)

Members

Lady Bagnall

Air Commodore N Beet
CBE MA BA Chartered FCIPD FCMI RAF
(retired July 2013)

Air Commodore A Opie RAF
(appointed September 2013)

Air Vice-Marshal D Couzens
MA MBA CEng FIMechE FRAeS

Mr S Critchley
MA (Hons) D Phil FCA

Air Vice-Marshal S Dougherty
MSc MBBS FRCP FFOM DAvMed
DObstRCOG FCMI FRAeS

Mrs A Hastie
MA (Hons)

Mr A Irvine
BA (Hons) MCSI

Ms V Raffé
BA (Hons) MSc
(retired November 2013)

Ms B Towle
CBE BA LLD FRSA
(retired November 2013)

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 Neville
CBE BSc (Hons)

Director Finance

Mr M Forster
(retired January 2014)

Ms L Baliga
(appointed February 2014)

Director Marketing and Communications *(appointment disestablished August 2013)*

Mr D Benton
DipM MCIM
(retired August 2013)

Director Welfare and Policy

Air Commodore P Hughesdon
MA FloD

TRUSTEES' REPORT

The Board of Trustees presents its Annual Report and Accounts for the Royal Air Force Benevolent Fund and its related charities for the year ended 31 December 2013. The financial statements shown on the following pages consolidate the accounts of the Royal Air Force Benevolent Fund, the Royal Air Force Benevolent Fund Housing Trust Ltd (Charity No 202271), the Royal Air Force Dependants Fund (Charity No 253492), the Royal Air Force Dependants Income Trust (Company No 01285364) and the Royal Air Force Benevolent Fund Trading Limited (Company No 07768120).

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.

Details of the Principals and Trustees of the Charity and members of the Senior Management Team are set out on pages 5 – 8.

Structure, Governance and Management

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 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. The Board usually meets every two months. It reviews the position of the Charity and receives reports from the committees and the Senior Management Team.

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.

The Charity provides support for the RAF Family through a range of agencies and other charities, as shown on pages 40 - 41. The Trustees are grateful for the support of these bodies, and especially the unpaid caseworkers and other volunteers, without whom the Charity would be unable to meet the needs of its beneficiaries.

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.

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 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 wellbeing.

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.

STRATEGIC REPORT

Achievements and Performance

Trustees agreed that activity during 2013 should place emphasis on the following: maintaining the full spectrum of care, providing support to the ex-Service community and the current servicemen and women and their families; reducing the annual operating deficit to meet the intent of the Fund's Five Year-Plan; and, to introduce efficiencies and smarter ways of working. This latter element included the final stages of a major new IT system being rolled out across the Welfare and Finance Directorates. In doing so, Trustees cross-referenced those major risks identified and managed by the Charity.

Spectrum of Care

The Fund continues to take great pride in supporting the full spectrum of care, a strategy that ensures that we provide support for all those in need from the two million people who we assess are in the RAF Family, whether they be children of serving RAF personnel, those serving, early leavers or veterans and spouses from every generation of service in the Royal Air Force. It is substantial in range and depth and provides a very real impact for those we are able to help. The Fund holds to the view that, even in these financially challenging times, we will look after our own. This applies particularly to those serving today and who are injured on operations or whilst training for operations. In all individual cases, we consider the need as presented and, based on the financial distress, endeavour to meet that need, operating within sensible, modern policies. We also provide help to those who have left the RAF many years ago, including those who completed their National Service in the RAF, thus giving meaning to our mantra: once RAF always RAFBF.

Trustees prioritise annually the support we are to provide, which guides the Welfare Directorate's work. Our first priority is to support individual benevolence. In addition to this, Trustees have agreed to continue to support a number of other programmes that support members of the RAF Family who are in need. We have, of course, had to be mindful of the Fund's long-term sustainability and better match expenditure to income, and this has reduced our discretionary expenditure. However, 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 bodies.

We continue to be very grateful to all the caseworking organisations that provide the "eyes and ears" on the ground for us and without whose support we could not provide support to individual beneficiaries. Our thanks go, in particular, to: the Royal Air Forces Association, SSAFA, the Royal

British Legion and the Royal Commonwealth Ex-Services League. We are also very grateful to the volunteers who support our committee processes and help us to make the best decisions.

Welfare Performance

Despite a significant reduction in the size of the Royal Air Force and changing demographics of the wider RAF Family we are pleased to report that across all strands of welfare support, including through External Grants and signposting to other organisations that might be able to assist if we cannot, we have directly helped 60,407 people, plus their immediate family. Taking the average family unit to comprise two people, we estimate that our work in 2013 has assisted at least 120,000 people. Recognising that the welfare demand was reducing we embarked on a Reaching Out Campaign in September and October attempting to stimulate welfare interest by informing better and more widely those people in need.

Unseen but Important Benefits of our Work

Whilst the giving of money is important, it is so often the relief of suffering, the freeing of mental anguish, the freedom of being able to get out of the house or spend time away, or so many other factors, which make our work so very important to those who come to us for help and support. It is this that makes our service to those who have served and continue to serve so valued.

Financial Support to the RAF Family

Notwithstanding the reduction in size of the RAF Family and the drawing to the close of the capital expenditure associated with the Airplay Play Parks which resulted in a lower spend than in 2012, the Fund continued to make a most significant and much needed financial contribution to the well-being of the RAF Family. It is interesting to note that, although the number of applications for support has fallen as the size of the RAF Family declines, despite the short Reaching Out Campaign, they are generally becoming increasingly complex and time consuming. Regardless, the Fund proudly considered 6,229 individual cases in 2013 and £12.8m was spent on all forms of welfare support to both the serving and ex-serving communities. Better understanding the observed fall in our traditional welfare demand areas is an issue that we will be addressing in future work. It is undoubtedly a many-faceted issue and may include: the decline in size of the RAF Family as, sadly, we lose the older members and see a reduction in numbers of the serving RAF as it heads to its targeted 30,000 by 2020; a potentially better financially provisioned ex-Service community owing to the military pension; and, a reduction in the Fund's outreach activities. Although aspects of support to our more traditional welfare beneficiary may be reducing, the difficulties faced by the serving and veteran personnel are undoubtedly changing, including those related to increasing numbers of elderly people living at home in the RAF Family. The Fund will be looking at these issues and seeking to enhance both the breadth and depth of its spectrum of care in innovative and novel ways to support those in need.

However, 1,958 people who had not previously applied to us for help did so in 2013 and the Fund was very pleased to be able to consider helping them. A fall of some 24% on 2012 (2,570), it is consistent with our expectation that the number of new cases being presented to the Fund will continue to decline as the number of those who served in the RAF during World War Two and who need our help continues to fall.

Support to the ex-Serving Community

The mainstay of our work for the mobile elderly veterans and their widows/ers is our Regular Financial Assistance grants. In 2013, 1,917 people were awarded such grants equating to £1.427m; this represents a 16% increase in the number of awards made but a 6% decrease on the amount paid out in 2012. Perhaps countering the downward trends in other areas of welfare demand we are pleased to see this increase in the number of people that we support in this way.

Debt and Financial Issues

These continue to be a significant component of many of the problems that we deal with. We resolutely do not pay off debt, but work with others to try to overcome the impact that uncontrolled debt can have on individuals and their families. The Fund's strategy for supporting those with debt issues is two pronged. The first strand is our work with Poppy Scotland and other Armed Forces charities to deliver the Armed Forces Advice Project, a scheme for Scotland, which provides help and advice beyond the mere financial. Over the period July 2010 – September 2013 (38 months), the service has assisted a total of 3,794 individual clients with resultant collective financial benefits of £2,136k. The RAF Family accounted for approximately 17% of the clients, or 645 people, which broadly reflects our level of overall funding. The second strand remains our financial support, via the External Grants programme, for Citizens Advice Bureaux which are local to stations and larger RAF communities and provide additional services to members of the RAF Family.

Improving Mobility

We are delighted to record that we issued 330 electrically powered vehicles (EPVs) for use by beneficiaries, just ten fewer than in 2012. The total cost of all electrically powered wheelchair activities (including storage, power and ramps etc.) decreased by 2%, from £920k to £900k. This decline is in part due to an effective contract re-let that saw much keener pricing, with an element of gain share. As a result of an in-house review which saw the removal of EPVs over nine years of age the overall number of EPVs in use declined from 1,959 to 1,527. Beyond the nine-year point the machines are no longer insurable and we therefore concluded that we would be failing in our duty of care to our users were we to maintain an aged fleet. For the future, all EPVs will be withdrawn from our care at the nine-year point, so we will not see this one-off adjustment again.

Helping People to Live Longer in Their Own Home

In 2013, we spent £483k on adjustable beds, riser-recliner chairs, bath aids, stairlifts and other domiciliary care equipment, in comparison with 2012's £520k. This downward trend in welfare demand was also seen in adaptation awards and property loans. However, and perhaps an area in which we will see growth, is the demand for domiciliary care payments which remained almost the same at 129 (versus 128 in 2012), although overall cost to the Fund fell by 14%.

Residential Care Fees

The number of beneficiaries receiving support from the Fund in residential care or nursing homes increased to 237, some 13% greater than in 2012. This amounted to £669k. As we moved out of old fashioned service agreements, we have seen the average cost decline in recent years, down to £2,821 in 2013, versus £3,250 in 2012. This is a clear sign of us spreading our benevolence as wide as we can, within levels of affordability.

Our Respite and Care Provision

Princess Marina House, our flagship respite and care home on the South Coast, has had another excellent year. In the past, Princess Marina House catered largely for permanent care residents but sadly the number of residents, or our family in residence, has reduced to just three. As a result, the overwhelming output from Princess Marina House is now firmly centred around the provision of respite. During 2013, the total number of guests at Princess Marina House and its two collocated Seaside Cottages rose by 9% to 1,709, up from 1,562. The number of bed weeks has also increased on 2012 figures up from 1,657 to 1,787. Bed occupancy held firm at 66% whilst room occupancy, the hoteliers' key measure, rose by 1% to 72%, despite increased availability of beds. Beachside, the recently introduced dementia respite wing, continues to be a popular addition to Princess Marina House's provision and saw a 21% increase in guests. The Fund continues to support financially the Joint Homes, which are operated by the Royal Air Forces Association. Overall, across Princess Marina House and the Joint Homes, 3,074 guests benefited from the facilities, representing a 7.9% rise from 2012. The net cost to the Fund of Princess Marina House and the Joint Homes was £1.943m, a fall of 4% on the prior year (£2.03m) enabled by a review of all expenditure. We are extremely pleased to state that the care provided to our guests has remained first class.

Housing Trust Properties for Beneficiaries

As at 31 December 2013, the Fund held 252 Housing Trust properties used exclusively by our beneficiaries. We buy and sell properties as necessary, to meet the needs of the eligible group; we do not retain a stock for future use nor do we hold property simply for its intrinsic value and potential growth. Six new properties were purchased in 2013, at a cost of £1.092m, of which: four were for those medically discharged and in the process of transition; one related to someone medically discharged in recent years; and one facilitated the move of an existing Housing Trust resident to a new locality, in the interests of greater support. Seventeen vacant properties were sold (£3.089m). Rental income from beneficiaries (£973k) continued to be assessed with the sensible application of welfare principles according to ability to pay, taking eligibility for Housing Benefit into consideration. Administering the Housing Trust is a key part of our welfare work and remains an intensive activity; staff have, over the year, had to consider several difficult decisions, supported by the Main Grants Committee, regarding the continued occupancy by those beneficiaries. Properties continue to be included on the Fund's balance sheet at historical cost, less any charge for depreciation. Trustees acknowledge that the market value of the properties could be materially different but are satisfied that the Fund is following appropriate accounting standards, and that the cost of performing a regular revaluation of all properties would be disproportionate.

A Helping Hand

Loans, both secured and unsecured, remain an important part of our support for those who are, relatively speaking, asset rich but cash poor. Welfare and Finance staffs have again worked hard to make sure that our loans book is robust. As at the end of the year, there were 1,203 loans outstanding with a book value of £15.336m, down from £15.8m and 1,273 cases in 2012: the mean average was £12,836 per loan. Of these, 802 loans with a value of circa £14.4m were secured and the remaining 401 loans were unsecured, approaching a total value of circa £900k. 963 of the total of 1,203 loans are interest bearing, with the vast majority "rolled up" until the debt is repaid on release of charge.

Support to the Serving RAF

Our support for the serving RAF has remained as strong as ever and in 2013, we spent £3,209k. The fall from the 2012 figure of £3,720k, was due in the main to the completion of the major Airplay Play Park builds.

Direct assistance to serving members of the RAF comprised 346 individual cases, a slight decrease of 5% compared with 363 in 2012. This fall is not inconsistent with the decline in the size of the RAF itself. However, the amount awarded at £1,478k was an increase of 30% on 2012's £1,037k and this was mainly due to four rather than two Housing Trust purchases for personnel in transition. The Minor Financial Assistance (MFA) scheme continues to be a popular method for the RAF chain of command to provide immediate financial support, acting as the Fund's local agent. Despite a review that brought in greater self-regulation and raised awareness of the MFA scheme, the number of awards reduced from 143 to 110 and expenditure likewise, from £56k to £44k. Importantly, we made 15 Transition and Immediate Needs Grants for Wounded, Injured and Sick personnel at a cost of £27.5k; we work with others, including Help For Heroes, but believe that we should and must take the lead in helping members of the serving RAF who are injured in the course of their service. Serving awards centred on needs of disability, bereavement, retraining, childcare and family breakdown.

Relationship Support

Our Relate contract continues to be highly relevant in assisting RAF families to deal with relationship difficulties as a consequence of very high levels of operational tempo and, slightly less than hitherto, organisational uncertainty. It is also very well received. In 2013, the Fund provided 1,370 free counselling sessions to 654 unique clients, as opposed to the 2012 figures of 1,550 and 771 respectively. The figures once again indicate that clients are having their issues resolved quickly as the average number of sessions per person has remained almost the same: 2.01 to 2.09. The Fund's insistence that Relate provide empirical evidence continued to show the provision is much-needed and delivering positive outcomes that were almost identical to 2012: 95% thought that the service they received was either "Very Good" or "Good"; 100% said that they would recommend Relate to others; and over 80% came to Relate with relationship difficulties with their partner and most wanted to save, or maintain and strengthen their relationship.

The Seaside Cottages (Seacot and Shencot), which sit alongside Princess Marina House, remain an important part of the Fund's welfare provision to the serving RAF, providing a modern 'home from home' in which those recently returned from operations or otherwise suffering from personal or family stress or illness can take a low cost holiday with their families or in which to provide a break from the stresses of life at home base. In 2013, the cottages supported 438 guests/103 families, up from 377 guests/88 families in 2012.

Supporting the Serving Family at Home

The Airplay Programme (Airplay Play Parks, Airplay Youth Support and Airplay Childcare Centres) continues to be the Fund's flagship support programme for the serving RAF. By the end of 2013, Airplay Play Parks had delivered facilities at 27 stations comprising 19 multi-use games areas (MUGAs), 43 play parks and ten shelters, a total of 72 facilities. Work is delayed at RAF Akrotiri and RAF Ayios Nikolaos which will deliver a further two facilities. The Fund was successful in obtaining a £325k grant from the LIBOR Fund which will see an additional three facilities, branded alongside the Airplay banner, built at RAF Benson, RAF Cosford (a first build) and RAF Cranwell. Airplay Youth Support has looked after some 2,250 RAF children, the highlights of which were another successful Summer Programme and participation in a second Tri-Service Youth Forum

hosted by the MOD. Airplay Childcare Centres continue to provide in excess of 1,900 places on a daily basis, and work on the refurbishment and extension at RAF High Wycombe was completed in-year at a cost of £303,167, significantly less than envisaged.

Assistance with boarding school fees and university scholarships for children of serving personnel who died or who were medically discharged as a result of severe disabilities amounted to £215k, £4k more than in 2012. However, the number of children supported with school fees fell from 13 to nine and the number of university scholarships fell from 34 to 26. The average cost per award for boarding school rose from £3,127 to £3,720 and for university from £2,062 to £3,066.

Supporting Others who Support Members of the RAF Family

Donations were made to other charities and organisations (including RAF stations) which provided specialist support to members of the RAF Family. This is an area that has changed significantly over the year, following our major policy review of our External Grants programme, with support now far more clearly focused on supporting charities which support the Armed Forces and the RAF Family in particular. That said, this approach does not prevent us supporting Citizen Advice Bureaux that are local to RAF stations, where they provide additional support to serving personnel and their families. Likewise, we work with the Alzheimer's Society to ensure that the level of awareness within the RAF Association is higher than might be the case, and that branches understand better what facilities are available locally. We are also working innovatively with two Community Interest Companies, who are seeking to enhance employment opportunities for spouses and partners of those in the RAF. We are also approaching the end of our agreement with Combat Stress, where we pledged to donate £2.2m over a five year period, ending 31 March 2015. During the year, 60 (79 in 2012) External Grant applications were approved at a cost of £576k. It is estimated that this money directly supported 40,451 RAF Family members.

Fundraising and Communication Activities and Performance

Voluntary Income. The end of year performance, £13.2m (£11.6m achieved in 2012), far exceeded the target (£11m) and was largely due to better than hoped for legacy income, together with successful bids for funding from the money made available from the Armed Forces Covenant and the LIBOR fines. This was in return for a total voluntary income expenditure of £3.2m (against an investment of £3.1m in 2012). The revised fundraising strategy was approved by Trustees in 2013 and its focus is on diversifying income streams to offset the threat from any one stream drying up.

- **Direct Marketing.** Direct marketing activity resulted in 5,331 new individuals supporting the Fund and 369 new individuals started to make regular gifts.
- **Legacies or Gifts in Wills.** Income from gifts in wills amounted to £7.74m (2012: £6.15m). Marketing activity in the year identified 40 new individuals who have pledged to include a gift in their will to the Charity. Based on 2013 values they have a potential value of £1.3m.
- **Trust Fundraising.** The Fund was awarded grants totalling £782k from the LIBOR Fund. Of this, £382k is to be used to refurbish bathrooms at Princess Marina House, our respite/care home on the South Coast. And of the remaining £400k, £325k is to be spent on Airplay Parks at RAF Benson, Cranwell and Cosford and £75k on providing relationship support to the serving RAF through Relate.
- **Corporate Fundraising.** Identified as an area of opportunity not previously exploited fully by the Fund, it was decided to invest in this area and a Senior Corporate Partnership Executive was appointed in September 2013. Immediate dividends were

seen with exciting initiatives involving Ebay, The Garden Centre Group and other non-traditional supporter bases.

Working More Closely with our Sister Service Charities

- On 8 October, the Fund, along with our sister Service charities, were invited to attend a military charity reception at 10 Downing Street hosted by Mrs Samantha Cameron. We invited a number of beneficiaries and supporters and the event was a great success.
- For the third and, as it has turned out, final year, the Charity was chosen with the other Service Benevolent Funds to benefit from the British Military Tournament. The Tournament attracted over 30,000 people, all of whom were exposed to our brand.
- The three Service charities continued to work together on Red, White and Blue Day, which in 2013 took place on 11 October with 219 schools participating. The RAFBF received £5,270 – 25% of the total raised. £21,000 was raised in total for the three charities.

Sustainable Expenditure and Working Smarter

The Fund had been, as a known and considered result of its introduction of a third charitable object in 2008, running a significant operating deficit. If left unchecked and with the uncertainty of the economic recovery, the deficit would have consumed the Fund's reserves at a greater pace than the Board considered appropriate. Accordingly, Trustees charged the senior management team with introducing in-year and Five-Year deficit reduction options. The planned budget for 2013 saw a forecast operating deficit of £9.5m: through early implementation of options coupled with better than planned income generation and a greater than expected reduction in welfare demand, the operating deficit was reduced to under £3m. Further benefits from the options introduced in 2013 should be experienced in 2014. The introduction of a new software system, which brings all elements of the Fund's operations closer together, continued to progress during 2013 and eventually went live in February 2014. Efficiencies drawn from the introduction of this system, along with opportunities to restructure our processes and working structures, enabled the Fund to reduce staffing levels by almost 20% with no material loss to output.

Major Risks and Uncertainties

Trustees undertake a regular assessment of business risks and risk management procedures. The major risks to which the Charity 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. The Royal Air Force Benevolent Fund has adopted a cascade system to manage risk with the highest-level strategic risk being reputation – both threat and opportunity. The major risks identified as having the potential to affect the reputation and subsequent successful performance of the Charity in 2013, along with mitigating actions, were:

- failure to identify the welfare needs of its beneficiaries – mitigated by close engagement with beneficiaries, the RAF and with other Service charities through the Confederation of British ex-Service Charities (COBSEO);
- loss of relevance to key audiences – mitigated by implementation of an effective communication strategy which enables the Fund to impart and receive information across all audiences;

- ineffectual delivery of welfare support – mitigated by maintaining strong relationships with caseworking organisations and exploiting opportunities presented by the casework management system;
- failure to meet its charitable objects due to a lack of financial resources – mitigated by low risk investment policy supported by a refreshed fundraising strategy comprising diversified income streams.

Plans for Future Periods

- Provide core welfare support to our traditional beneficiary base.
- Encourage new applications through cost-effective Reaching Out Campaigns.
- Conduct research to better understand the changing dynamic of the RAF Family's welfare demand.
- Promote special welfare initiatives.
- Promote the Fund's brand and image across a wider target audience.
- Commemorate and celebrate the 75th anniversary of the Battle of Britain.
- Expand corporate partnerships to mitigate loss of income from the RAF half-day's pay giving scheme as the RAF strength reduces in number.
- Assist with the planning, coordination and governance of any RAF Centenary Appeal.
- Encourage staff development and improvements in performance.
- Monitor effectiveness of the 2013 reviews – Regional Review, Head Office Review and Welfare Policy Review.

Staff

The Trustees continue to be grateful to all members of staff, particularly during the uncertain times when options for deficit reduction were introduced and during the roll-out of the new IT systems and procedures. That the Fund was able to introduce significant change to both process and staff complement was due in no small part to the dedication and commitment of its staff.

The Fund continually reviews the level of remuneration and other benefits awarded to staff. These include encouragement and support to undertake training and development for the benefit of both the Fund and individual employees.

Volunteers

The Trustees recognise the valuable contribution made by volunteers and once again wish to place on record their grateful thanks for their commitment. Volunteers include the caseworkers and helpers who act as the link between beneficiaries and the Charity, those who undertake fundraising activities on behalf of the Fund, and the committees of volunteers who meet regularly to assess applications for welfare support. No amounts are included in the financial statements to reflect the value of work undertaken by volunteers.

Financial Review

The consolidated Statement of Financial Activities (SOFA) for the year is set out on pages 25 and 26 of the financial statements. A summary of the financial results is set out below.

The RAF Benevolent Fund had a good year with consolidated income of £19.3m, a £2.0m increase over 2012. Total consolidated expenditure was £21.9m a reduction of £3.5m against the 2012 spend. The £2.6m operating deficit for the year was significantly lower than budgeted and bettered the revised plans for the year following the introduction of deficit reduction options. This compared with an operating deficit of £8m in 2012. After recognising gains on investment assets and the pension scheme, the overall net result was a small deficit of £237k.

Income

As seen earlier in the Report, fundraising activities were highly successful and comprised income from a diversified portfolio. Donations included £1.7m received from serving RAF personnel who continued to support the Fund generously. £1.7m (2012: £1.5m) was received through charitable activities carried out in the support of our beneficiaries. Other income, comprising mainly of profit on the sale of property and interest on pension funds, amounted to £2.3m (2012: £2.1m). Investment income stayed stable against 2012 at £2m.

Expenditure

Welfare spend was £18.2m, a reduction of £3.5m on the prior year mainly due to the completion of the capital spend on Airplay. The Fund has continued to support beneficiaries through its welfare work. Demand has fallen, as the size of the RAF Family declines. A short Reaching Out Campaign was held towards the end of the year and will be repeated in 2014, inviting new applications for support. A detailed review of the Fund's expenditure was carried out during the year, resulting in staff savings and a reduction in operating costs which should be fully realised in 2014 and 2015.

Investments

The Fund's investment strategy is to enhance the value of its investments through the adoption of a managed, diversified portfolio. The Fund holds its investments in three separate portfolios determined by the requirements of the Five-Year Plan. 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.

During 2013, the Fund's portfolio achieved a total return of 5.6% (2012: 8.2%).

The Fund holds investments for long-term reserve requirements and the Trustees are satisfied that their long-term investment strategy is appropriate. The Trustees and the Finance Committee continue to monitor carefully the performance of both the Fund's investments and the investment manager.

Reserves

Free reserves are the resources the Fund has or can make available to spend 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, endowed and designated funds. They also exclude fixed assets, comprising Housing Trust properties, loans to beneficiaries and other items.

The Fund holds free reserves to ensure that it is able to meet the needs of its current and future beneficiaries given potential future risks. The Fund has broken down its reserve requirement into three categories. Reserves are held for the following reasons:

- short-term tactical needs (such as short-term setbacks in funding or cash flow difficulties);
- contingency needs (to enable the Fund to evolve and take advantage of strategic development opportunities and to meet unexpected calls on the Fund such as a disaster within the RAF Family);
- long-term strategic needs (to reduce the risk posed by large external changes in the environment in which the Fund operates; for example, a large fall in stock markets).

Trustees believe that the level of long-term strategic reserves should be based on funding requirements, given our anticipated expenditure in the next five years and the presence of an economic downturn and related income and investment decline. Based on the Fund's five-year financial forecast, Trustees judge that two years of expenditure would allow the Fund to meet its commitments to its beneficiaries during this period. The reserves are held in a diversified investment portfolio.

An additional two years of reserves are held in less liquid assets (Housing Trust properties), providing a second tier reserve. Cash flow requirement for the next five years has already been identified, and these funds are invested in a low-risk, short-term portfolio. 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. During 2013, the Trustees determined that a risk-based approach should be taken when identifying the level of reserves required. The new risk-based reserves policy will take effect from 2014. In 2013, reserves stayed stable at £62.4m against £62.5m in 2012.

Trustee Declaration

Trustees, as company directors, hereby approve the 2013 Annual Report and the 2013 Strategic Report which is embedded within it.



Mr Lawrie Haynes

Chairman of the RAF Benevolent Fund

Principal Office and Professional Advisers

Fund's Principal Office

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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 2013, 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).

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 2013 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 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

Date: 27 May 2014

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

THE ROYAL AIR FORCE BENEVOLENT FUND

Consolidated Statement of Financial Activities for the year ended 31 December 2013

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Group 2013 £'000	Group 2012 £'000
Incoming Resources						
Incoming resources from generated funds						
Voluntary Income						
Donations	2	4,150	1,143	-	5,293	5,423
Legacies		7,700	217	-	7,917	6,151
Investment income	3	1,896	126	2	2,024	2,075
Incoming resources from charitable activities						
Housing		976	15	-	991	924
Residential and respite care		584	-	-	584	512
Loan interest		134	-	-	134	98
Other income	4	2,310	-	-	2,310	2,118
Total incoming resources		17,750	1,501	2	19,253	17,301
Resources expended						
Cost of generating funds						
Marketing and communications	5a	2,799	-	-	2,799	2,700
Legacies	5a	359	-	-	359	352
Investment management costs	5a	110	-	-	110	183
		3,268	-	-	3,268	3,235
Net incoming resources available for charitable application		14,482	1,501	2	15,985	14,066
Charitable expenditure						
Costs of activities in furtherance of the Charity's objects						
Direct charitable expenditure						
General welfare	5a	12,110	378	-	12,488	15,193
Education	5a	58	61	-	119	120
Housing	5a	2,224	18	-	2,242	2,409
Residential care and respite care	5a	3,090	247	-	3,337	4,015
Total direct charitable expenditure		17,482	704	-	18,186	21,737
Governance		417	-	-	417	457
Total resources expended	5a	21,167	704	-	21,871	25,429

THE ROYAL AIR FORCE BENEVOLENT FUND

Consolidated Statement of Financial Activities - continued

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Group 2013 £'000	Group 2012 £'000
Net (outgoing)/incoming resources on continuing activities		(3,417)	797	2	(2,618)	(8,128)
Other recognised gains & (losses)						
Net gains/(losses) on investment assets	11	1,285	-	575	1,860	3,626
Actuarial gains/(losses) on defined benefit pension scheme	8	521	-	-	521	1,964
Net movement in funds		(1,611)	797	577	(237)	(2,538)
Fund balances brought forward on 1 January 2013		118,151	2,063	4,362	124,576	127,114
Fund balances carried forward at 31 December 2013	15	116,540	2,860	4,939	124,339	124,576

The consolidated statement of financial activities include all gains, losses and movement in funds recognised in the year.

All incoming and outgoing resources arise from continuing operations.

THE ROYAL AIR FORCE BENEVOLENT FUND

Balance Sheet as at 31 December 2013

	Note	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Fixed assets					
Property	9	36,787	38,066	11,164	11,440
Furniture and equipment	9	2,083	2,027	2,083	2,027
		38,870	40,093	13,247	13,467
Loans to beneficiaries					
Secured		14,436	14,975	14,436	14,975
Unsecured		900	870	900	870
	10	15,336	15,845	15,336	15,845
Investments	11	69,139	69,294	65,051	65,540
Current Assets					
Stock		70	58	6	27
Debtors and pre-payments	12	2,026	1,340	20,955	22,239
Cash at bank and in hand		5,620	6,149	4,991	5,644
		7,716	7,547	25,952	27,910
Current liabilities					
Creditors and accrued charges: amounts falling due within one year	13	(1,535)	(1,888)	(1,323)	(1,693)
Net current assets		6,181	5,659	24,629	26,217
Net assets excluding long term liabilities and pension liability		129,526	130,891	118,263	121,069
Defined benefit pensions liability	8	(5,187)	(6,315)	(5,187)	(6,315)
Net Assets		124,339	124,576	113,076	114,754
Funds					
Endowed		4,939	4,362	4,939	4,362
Restricted		2,860	2,063	2,820	2,063
Unrestricted - designated funds		3,000	3,850	3,000	3,850
Unrestricted - general funds		118,727	120,616	107,504	110,794
Pension reserve	8	(5,187)	(6,315)	(5,187)	(6,315)
	14,15	124,339	124,576	113,076	114,754
Note on historical costs					
Net assets at historical cost		123,040	124,710		
Unrealised investment valuation surplus		1,299	(134)		
Total net assets as above		124,339	124,576		

The financial statements on pages 25 to 41 were approved by Trustees on 27 May 2014 were signed on its behalf by:



Lawrie Haynes
Chairman

THE ROYAL AIR FORCE BENEVOLENT FUND

Consolidated Cash Flow Statement for the year ended 31 December 2013

	2013 £'000	2012 £'000
Net cash outflow from operating activities	(6,489)	(11,980)
Returns on investments		
Interest receivable	99	111
Dividends receivable from fixed interest securities	1,020	238
Dividends receivable from equity shares	-	6
Dividends receivable from pooled funds and unit trusts	905	1,720
Net cash inflow from returns on investments	2,024	2,075
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(1,883)	(3,543)
Net (investment)/withdrawal from investments	2,015	(849)
New loans	(775)	(1,012)
Receipts from sales of tangible fixed assets	3,195	2,081
Loans repaid	1,389	1,246
Net cash (outflow)/inflow from capital expenditure and financial investment	3,941	(2,077)
(Decrease)/increase in cash and net funds	(524)	(11,982)

Notes to cash flow statement

Reconciliation of net outgoing resources

Net outgoing resources	(2,618)	(8,128)
Less: investment income	(2,024)	(2,075)
	(4,642)	(10,203)

Adjustment for non-cash items:

Profit on sale of tangible fixed assets	(1,515)	(1,275)
Provision for loan conversions	8	96
Loan interest	(134)	(98)
Loans converted to grants	15	71
Loans written off	6	23
Depreciation	1,426	1,374
Pension interest income	(386)	(470)
Staff costs FRS 17 adjustment	(221)	0
Foreign exchange differences	5	17
Movement in stock	(12)	(51)
Movement in debtors	(686)	(346)
Movement in creditors	(353)	(1,118)

Net cash outflow from operating activities	(6,489)	(11,980)
---	----------------	-----------------

	2013 £'000	2012 £'000	Change in Year £'000
Cash at bank and in hand	5,620	6,149	(529)
Foreign exchange difference			5
Decrease in cash and net funds			(524)

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

for the year ended 31 December 2013

1. Principal Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with applicable accounting standards. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in March 2005.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the Charity and its subsidiary undertakings.

The results of the subsidiaries are consolidated on a line-by-line basis.

Separate SOFAs have not been presented as permitted by paragraph 397 of the SORP.

A summary of the results of the subsidiary entities is shown in Note 16.

Status

The Charity was incorporated by Royal Charter on 29 December 1999.
The directors of the corporate body are the Trustees named on page 7.

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 is set out in the notes to the financial statements.

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

Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending/imminent distribution or the legacy being received.

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.

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

for the year ended 31 December 2013

Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Where costs cannot be directly attributed to the particular headings they have been allocated to activities on a basis consistent with use of resources; all other overheads have been allocated on the basis of head count.

The SOFA defines costs in three specific categories:

- cost of generating funds
- charitable activities
- governance costs

Costs of generating funds are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

Costs of charitable activities relate to the work carried out on the core purposes of the Fund, which are to provide relief and assistance to past and present members of the RAF Family who are in need and to enhance the morale and wellbeing of Service personnel.

Governance costs are those incurred in connection with the administration of the Charity and compliance with constitutional and statutory requirements.

Tangible fixed assets and depreciation

Tangible fixed assets costing more than £1,000 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.

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

for the year ended 31 December 2013

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 the cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Pension costs

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.

The Charity accounts for pension schemes in accordance with FRS17 (Retirements Benefits).

For the defined benefit pension scheme, any increase in the present value of the net liabilities expected to arise from employee service in the period is charged to the SOFA.

The interest costs and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains or losses are recognised immediately in the SOFA. Pension scheme assets are measured using market values, and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. Actuarial valuations are obtained at least tri-annually and are updated at each balance sheet date.

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 ruling at the balance sheet date. All differences are taken to the SOFA.

Related party disclosures

The Charity has taken advantage of the exemption which is conferred by FRS8, Related Party Disclosures, that allows it not to disclose transactions with group undertakings that 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.

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

2.	Donations and Gifts			2013	2012	
				£'000	£'000	
	a. Royal Air Force voluntary income					
	Service personnel			1,709	1,739	
	Stations and units			58	67	
	Battle of Britain "At Home Days"			34	75	
				1,801	1,881	
	b. Other voluntary income					
	General donations			2,702	3,539	
	LIBOR funding			781	-	
	Royal Air Forces Association			9	3	
				3,492	3,542	
				5,293	5,423	
3.	Investment Income			2013	2012	
				£'000	£'000	
	Interest receivable			99	111	
	Dividends receivable from fixed interest securities			1,020	238	
	Dividends receivable from equity shares			-	6	
	Dividends receivable from pooled funds and unit trusts			905	1,720	
				2,024	2,075	
4.	Other Income			2013	2012	
				£'000	£'000	
	Profit on sale of fixed assets			1,515	1,275	
	Pension interest income			386	470	
	Administration fee			280	305	
	Trading income			109	48	
	Rental of office space			14	13	
	Administration recovery			6	7	
				2,310	2,118	
5a.	Total Resources Expended	Staff Costs £'000	Other Direct Costs £'000	Other Allocated Costs £'000	2013 £'000	2012 £'000
	Cost of generating voluntary income					
	Donations	812	1,241	746	2,799	2,700
	Legacies	44	166	149	359	352
	Investment management costs					
	Investment management fee	-	111	-	111	172
	Custodian trustee fee	-	(1)	-	(1)	11
	Cost of charitable activities					
	General welfare	1,282	8,770	2,436	12,488	15,193
	Education	39	61	19	119	120
	Housing	459	1,378	405	2,242	2,409
	Residential homes	1,721	1,305	311	3,337	4,015
	Governance	-	296	121	417	457
	Total resources expended	4,357	13,327	4,187	21,871	25,429
5b.	Other Allocated Costs				2013 £'000	2012 £'000
	Salaries				1,826	2,262
	Overheads and depreciation				2,361	2,389
					4,187	4,651
5c.	Net Outgoing Resources are Stated After Charging:				2013 £'000	2012 £'000
	Audit fees - current year				36	34
	Audit fees - prior year under provision				9	12
	Audit fees - other				10	-
	Custodian trustee				(1)	11
	Investment management fees				111	172
	Solicitor/surveyors				193	248
	Depreciation				1,426	1,374

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

6. Trustees' Remuneration

The Trustees neither received nor waived any emoluments during the year 2013 (2012: £NIL)

Out of Pocket expenses were reimbursed to Trustees as follows:

	2013 Number	2012 Number	2013 £	2012 £
Travel	7	6	2,692	2,506

7. Staff Costs

	2013 £'000	2012 £'000
Wages and salaries	4,732	4,766
Social security costs	516	484
Pension costs	421	824
Redundancy costs	514	-
	6,183	6,074

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

	2013 Number	2012 Number
£60,001 - £70,000	6	5
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

An additional £203k in redundancy costs was paid to employees whose salaries amounted to more than £60,000.

The Controller is required to occupy residential accommodation as a condition of his employment. As agreed with HMRC, he meets the utilities costs associated with his occupation of the property personally and is taxed on the equivalent rental value as a benefit in kind.

Three employees earning more than £60,000 participated in the final salary pension scheme.

Seven employees earning more than £60,000 participated in the money purchase pension scheme.

The RAFBF benchmarks salaries against the Xpert HR voluntary sector salary survey.

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

	2013 Number	2012 Number
Charitable activities	133	137
Cost of generating funds	18	19
Governance, administration and support	29	28

8. Pension Commitments

FRS 17 disclosure

The FRS 17 calculations have been carried out by an independent qualified actuary and relate to the RAF Benevolent Fund Staff Pension Fund.

The amounts recognised in the balance sheet are as follows:

	2013 £'000	2012 £'000
Fair value of scheme assets	24,420	23,620
Present value of funded obligations	(29,607)	(29,935)
Present value of unfunded benefits (deficit in scheme)	(5,187)	(6,315)

The amounts recognised in profit or loss are as follows:

Defined benefit pension schemes

	2013 £'000	2012 £'000
Current service cost	(471)	(498)
Interest cost	(1,269)	(1,451)
Expected return on scheme assets	1,655	1,582
Total	(85)	(367)
Actual return on scheme assets	(1,419)	(1,525)

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Changes in the present value of the defined benefit obligation are as follows:

Defined benefit pension schemes

	2013 £'000	2012 £'000
Opening defined benefit obligation	(29,935)	(31,224)
Current service cost	(471)	(498)
Interest cost	(1,269)	(1,451)
Contributions by scheme members	(12)	(12)
Actuarial gains/(losses)	757	2,021
Benefits paid	1,323	1,229
Closing defined benefit obligation	(29,607)	(29,935)

Changes in the fair value of scheme assets are as follows:

	2013 £'000	2012 £'000
Opening fair value of scheme assets	23,620	22,475
Expected return	1,655	1,582
Actuarial gains/(losses)	(236)	(57)
Contributions by employer	692	837
Contributions by scheme participants	12	12
Benefits paid	(1,323)	(1,229)
Closing fair value of scheme assets	24,420	23,620

The Charity is expected to contribute £430,000 to the Scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
Target Return Fund	100%	87%
Cash	0%	13%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2013	2012
Discount rate	4.4%	4.3%
Inflation assumption (RPI)	3.3%	3.1%
Inflation assumption (CPI)	2.3%	2.4%
Expected return on scheme assets	6.85%	7.1%
Future pension increases	2.3%	2.4%
Deferred revaluation	2.3%	2.4%
Commutation (% of pension)	20%	20%
Future salary increases		
Years to 2015	2.0%	2.0%
Years from 2016	3.8%	3.6%
Mortality - base table	SAPS	SAPS
Mortality - allowance for future improvements	CMI 2012 [0.5%]	CMI 2011 [0.5%]
Life expectancies at age 63:		
Male currently aged 63 now	86.3 years	86.2 years
Male currently aged 63 in 20 years	86.9 years	86.8 years
Female currently aged 63 now	88.6 years	88.5 years
Female currently aged 63 in 20 years	89.4 years	89.3 years

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Defined benefit obligation	(29,607)	(29,935)	(31,224)	(27,392)	(25,838)
Scheme assets	24,420	23,620	22,475	22,171	19,504
Deficit	(5,187)	(6,315)	(8,749)	(5,221)	(6,334)
Experience adjustments on scheme liabilities*	-	(242)	-	-	(234)
Experience adjustments on scheme assets*	(236)	(57)	(1,123)	1,504	1,936

*positive experience adjustments represent an increase to the liabilities

*positive experience adjustments represent an increase to the assets

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

9.	Tangible Fixed Assets	Property £'000	Equipment £'000	Total £'000
	Cost on 1 January 2013	44,581	4,000	48,581
	Additions during the year	1,352	531	1,883
	Disposals during the year	(2,013)	(31)	(2,044)
	Cost at 31 December 2013	43,920	4,500	48,420
	Depreciation at 1 January 2013	(6,515)	(1,973)	(8,488)
	Depreciation for the year	(952)	(474)	(1,426)
	Depreciation on disposals during the year	334	30	364
	Accumulated Depreciation at 31 December 2013	(7,133)	(2,417)	(9,550)
	Net Book Value 31 December 2013	36,787	2,083	38,870
	Net Book Value 31 December 2012	38,066	2,027	40,093
	Net Book Value 31 December 2013			
	Gulf Trust Fund	178	-	178
	Princess Marina House	3,934	88	4,022
	RAFBF/RAFA residential and respite homes	907	-	907
	Headquarters - London	6,145	1,995	8,140
	Charity	11,164	2,083	13,247
	RAFBF Housing Trust Ltd	25,623	-	25,623
	Group	36,787	2,083	38,870
	Net Book Value 31 December 2012			
	Gulf Trust Fund	183	-	183
	Princess Marina House	4,032	92	4,124
	RAFBF/RAFA residential and respite homes	932	-	932
	Headquarters - London	6,293	1,935	8,228
	Charity	11,440	2,027	13,467
	RAFBF Housing Trust Ltd	26,626	-	26,626
	Group	38,066	2,027	40,093
	The net book value of properties comprises:		2013	2012
			£'000	£'000
	Freehold		35,985	36,708
	Long leasehold		802	1,358
			36,787	38,066
10.	Loans to Beneficiaries		2013	2012
			£'000	£'000
	Balance as at 1 January		15,845	16,171
	New loans		775	1,012
	Interest charged		134	98
			16,754	17,281
	Repayments		(1,389)	(1,246)
	Loans converted to grants		(15)	(71)
	Bad debts written off		(6)	(23)
	Provision for loan conversion		(8)	(96)
	Balance at 31 December		15,336	15,845

Properties held by the Housing Trust and loans to beneficiaries are in connection with charitable programmes. Properties are held so that beneficiaries with disabilities can live in suitable accommodation. Loans are provided so that beneficiaries can continue to live in their own homes. The outstanding loans include balances totalling £14.4 million (2012 - £15.0 million) which are secured by legal charges on the assets of the beneficiaries. The majority of loans have no fixed repayment date; these are normally repayable from the beneficiary's estate.

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

11. Fixed Asset Investments

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Group				
Market value as at 1 January	69,294	64,819	65,540	62,022
Net investment/(withdrawals)	(2,015)	849	(2,014)	79
Net investment gains/(losses)	1,860	3,626	1,525	3,439
Market value at 31 December	69,139	69,294	65,051	65,540
Net assets at historical cost at 31 December	67,505	69,428	60,611	66,440
UK listed investments are represented by:				
Fixed interest securities	22,887	21,563	21,458	19,600
Pooled funds & unit trusts	43,551	37,780	40,893	35,990
Investment properties	3	3	3	3
Cash	2,698	9,948	2,697	9,947
Total	69,139	69,294	65,051	65,540

Included within the investments of the charity is £1 of share capital for the RAFBF Trading Co Ltd, the results of this subsidiary entity are shown in note 16.

12. Debtors

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Legacies	738	327	738	327
Other debtors	1,175	898	20,104	21,797
Prepayments	113	115	113	115
	2,026	1,340	20,955	22,239

13. Creditors: Amounts Falling Due Within One Year

	Group 2013 £'000	Group 2012 £'000	Charity 2013 £'000	Charity 2012 £'000
Trade creditors	471	342	437	332
Taxation and social security costs	200	158	200	158
Other creditors	864	1,388	686	1,203
	1,535	1,888	1,323	1,693

14. Statement of Funds

	At 1 January 2013 £'000	Incoming Resources £'000	Resources Expended £'000	Other Recognised Gains £'000	Transfers £'000	At 31 December 2013 £'000
General reserve	120,616	17,364	(20,696)	1,285	158	118,727
Designated funds	3,850	-	-	-	(850)	3,000
Total unrestricted funds	124,466	17,364	(20,696)	1,285	(692)	121,727
Restricted income funds - see schedule on page 39	2,063	1,501	(704)	-	-	2,860
Endowment funds - see schedule on page 38	4,362	2	-	575	-	4,939
Pension reserve	(6,315)	386	(471)	521	692	(5,187)
Total funds	124,576	19,253	(21,871)	2,381	-	124,339

Unrestricted Funds

The sum of £3m has been designated for the Head Office Future Building Fund and is included in the total unrestricted funds.

The transfer from designated to general reserves represents the movement between the balance brought forward and the designation held at end of the year.

The transfer of £692,000 from general reserves to the pension reserve represents the Charity's contributions paid into the pension scheme in the year.

Restricted Income Funds - Over £100,000

Bomber Command Memorial
Fulmer Fund

Gulf Trust
Lowe Trust
LIBOR Fund

Endowment Funds - Over £100,000

E H Jubb Fund
Newton Driver Memorial Fund
Viscount Nuffield Endowment
Hector Pilling Memorial Fund
RAF Prize Trust

Douglas Turner Benefaction

RAFBF Educational Endowment Fund
RAFBF Educational Expendable Fund
Peter Henry Slater-Eiggert Memorial Fund

Maintenance of the Bomber Command Memorial in Green Park, Piccadilly.
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.
The funds are held in a ring-fenced fund for the benefit of RAF Gulf War Veterans.
Support Battle of Britain veterans and their descendants.
Funds to: refurbishing our respite care homes, providing Airplay Parks and Relate services for serving RAF personnel.

For the benefit of Aircrew, their widows and dependants.
For the general purposes of the Fund and the upkeep of the property at Rustington.
Income used for general purposes.
To provide financial assistance for foundationers at the Duke of Kent School.
To help with the education of dependants of deceased members of the RAF killed on duty or attributable to Service.
To be used for the assistance or benefit, including education of former or future pilots and navigators and their dependants.
To promote the education of the children of members of the Royal Air Force.
To promote the education of the children of members of the Royal Air Force.
For the benefit of ex-members and dependants of 83 Squadron.

THE ROYAL AIR FORCE BENEVOLENT FUND

Notes to the Financial Statements

15. Analysis of Group Net Assets Between Funds

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total Funds £'000
Fund Balances at 31 December 2013 are represented by:				
Tangible fixed assets	38,692	178	-	38,870
Loans to beneficiaries	15,195	141	-	15,336
Investments	64,200	-	4,939	69,139
Current assets	5,174	2,542	-	7,716
Current liabilities	(1,534)	(1)	-	(1,535)
Pension liability	(5,187)	-	-	(5,187)
Total net assets	116,540	2,860	4,939	124,334

16. Subsidiary Entities

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

	RAFBF Trading Co Ltd 2013 £'000	RAFBF Dependants Fund 2013 £'000	RAFBF Dependants Income Trust 2013 £'000	RAFBF Housing Trust Ltd 2013 £'000	Subsidiary Entities 2013 £'000	Subsidiary Entities 2012 £'000
Incoming Resources						
Investment income	-	126	-	-	126	97
Other income	109	205	75	958	1,347	1,245
Profit on sale of properties	-	-	-	1,349	1,349	1,275
	109	331	75	2,307	2,822	2,617
Resources Expended						
Grants	-	150	47	1,355	1,552	1,818
Cost of generating funds	61	-	-	-	61	13
Management and administration	47	28	28	-	103	79
	108	178	75	1,355	1,716	1,910
Net gains on investment assets	-	335	-	-	335	187
Per statement of financial activities	1	488	-	952	1,441	894

RAFBF Trading Ltd

A company set up for RAFBF to conduct trading in support of its charitable objectives.

This company donated £874 to the Charity in the year.

RAFBF Dependants Fund

A charity with the RAF Benevolent Fund as custodian trustee. Set up to promote the efficiency of the Royal Air Force through relieving dependants of deceased serving personnel from financial distress.

RAFBF Dependants Income Trust

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.

This company donated £47,364 to the Charity in the year.

RAFBF Housing Trust Ltd

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.

17. Related Party Disclosure - FRS8

The charity has taken advantage of the exemption which is conferred by FRS8, Related Party Disclosures, that allows it not to disclose transactions with group undertakings that are eliminated on consolidation.

During the year payments of £56,965 (2012: £56,137) were made by the group to Charles Russell Solicitors for professional services. £6,920 was owed to the firm at the year end. Mr Michael Scott, a partner in the firm, is a Director and Trustee of the RAFBF Housing Trust Ltd.

18. Capital Commitments

At the year end the Charity was committed to expenditure of £66,240 (2012: £66,240) on the Atlas (system development) project.

THE ROYAL AIR FORCE BENEVOLENT FUND

Endowment Funds

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

	As at 1 January		Unrealised	As at 31 December
	2013	Income	Gain	2013
	£	£	£	£
Permanent Endowment Funds with unrestricted income				
Pilot Officer J P L Branson Memorial Fund	35,458	18	4,675	40,151
Pilot Officer James Erskine Cuning Memorial Fund	33,371	17	4,400	37,788
Flying Officer L S Delaney Trust	9,693	5	1,278	10,976
Paddy Finucane Memorial Fund	14,441	7	1,904	16,352
Louise Alice Kay Memorial Fund	29,833	15	3,933	33,781
Mosquito Memorial Fund	8,383	4	1,105	9,492
Flying Officer Douglas Frank Newsham Memorial Fund	26,635	13	3,512	30,160
Viscount Nuffield Endowment	771,064	386	101,664	873,114
Helen Mary Renton Fund	31,474	16	4,150	35,640
RAF Rugby Union Fund	37,014	19	4,880	41,913
Peter Henry Slater-Eiggert Memorial Fund	106,209	53	14,004	120,266
The Revd. James Edmund Strickland Memorial Fund	76,502	38	10,087	86,627
	1,180,077	591	155,592	1,336,260
Expendable Endowment Funds with unrestricted income				
Flying Officer William Dron Memorial Fund	1,789	1	236	2,026
Frederick Eley Fund	3,448	2	455	3,905
Wing Commander J Higginson Fund	7,040	4	928	7,972
Peter Grattan Holt Memorial Fund	36,688	18	4,837	41,543
E H Jubb Fund	244,372	122	32,220	276,714
Middle East Relief Fund	31,210	16	4,115	35,341
Morley Fund	5,116	3	675	5,794
Orlebar Memorial Fund	5,789	3	763	6,555
Shattock Memorial Scholarship Fund	8,693	4	1,146	9,843
Wooding Memorial Fund	6,202	3	818	7,023
	350,347	176	46,193	396,716
Permanent Endowment Funds where the use of the income is restricted				
Newton Driver Memorial Fund	1,565,634	784	206,428	1,772,846
Group Captain W E Purdin Memorial Fund	1,999	1	264	2,264
RAFBF Educational Endowment Fund	396,466	199	52,274	448,939
Douglas Turner Benefaction	94,373	47	12,443	106,863
	2,058,472	1,031	271,409	2,330,912
Expendable Endowment Funds where the use of the income is restricted				
Mrs H M Jereham Memorial Fund	21,750	11	2,868	24,629
Lord Knollys Holiday Fund	8,269	4	1,090	9,363
Hector Pilling Memorial Fund	460,848	231	60,763	521,842
Lord Portal Fund	2,111	1	278	2,390
RAF Prize Trust	176,115	88	23,221	199,424
RAFBF Educational Expendable Fund	104,035	52	13,717	117,804
	773,128	387	101,937	875,452
Total Endowment Funds	4,362,024	2,185	575,131	4,939,340

THE ROYAL AIR FORCE BENEVOLENT FUND

Restricted Income Funds

These funds can not 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		As at 31 December	
	2013	Income	Expenditure	2013
	£	£	£	£
Education				
LIBOR: Airplay	-	325,000	6,240	318,760
Air Vice-Marshal Frank Felgate Memorial Prize	491	1	-	492
Lord Knollys Holiday Fund	-	357	357	-
Hector Pilling	-	19,875	19,875	-
RAF Prize Trust	-	7,596	7,596	-
RAFBF Educational Endowment Fund	-	17,948	17,948	-
RAFBF Educational Expendable Fund	-	4,487	4,487	-
Douglas Turner Benefaction	-	4,070	4,070	-
	491	379,334	60,573	319,252
RAFBF - Funds				
Alastrean House Amenities Fund	5,578	500	86	5,992
Newton Driver Memorial Fund	-	67,524	67,524	-
Princess Marina House Amenities Fund	33,924	80,259	32,909	81,274
Princess Marina House Shencot/Seacot House	-	52,904	2,904	50,000
LIBOR :Princess Marina House Wet Rooms	-	381,000	-	381,000
Princess Marina House Wet Rooms	-	10,976	-	10,976
Princess Marina House Other	-	143,586	143,586	-
Princess Marina House Minibus Appeal 2013	-	8,500		8,500
	39,502	745,249	247,009	537,742
Other Purposes				
Beneficiaries in Worcestershire	-	15,000	15,000	-
Beneficiaries in Scotland	-	40,378	-	40,378
Bomber Command Memorial	470,784	218,238	49,087	639,935
Fulmer Fund	540,025	833	303,167	237,691
Group Captain W E Purdain Memorial Fund	328	87.00	-	415
Gulf Trust	423,849	15,365	18,278	420,936
Mrs H M Jerham Memorial Fund	799	939	799	939
Lord Portal Fund	366	92	-	458
Lowe Trust	586,905	905	-	587,810
RAF Officers' Wives Fund	-	3,045	3,045	-
LIBOR: Building Stronger Families	-	75,000	-	75,000
WW2 Veterans	-	7,295	7,295	-
	2,023,056	377,177	396,671	2,003,562
Total Restricted Funds	2,063,049	1,501,760	704,253	2,860,556

THE ROYAL AIR FORCE BENEVOLENT FUND

Grants to Third Parties

Support to the serving Royal Air Force	Capital Cost £	Running Cost £	Total Grant £
General welfare			
Citizens Advice Bureau - Dacorum	-	4,600	4,600
Citizens Advice Bureau - Lincoln & District	-	6,000	6,000
Citizens Advice Bureau - Norwich & West Norfolk	-	20,500	20,500
Citizens Advice Bureau - Rutland	-	3,000	3,000
Citizens Advice Bureau - Sleaford & District	-	6,000	6,000
Citizens Advice Bureau - South Kesteven	-	1,000	1,000
Citizens Advice Bureau - West Oxfordshire	-	10,000	10,000
Forces Children's Trust	-	1,650	1,650
Relate (The Relationship People)	-	86,906	86,906
	-	139,656	139,656
Airplay (formerly Childcare)			
MUGA & play parks	-	268,114	268,114
Youth Support	-	1,330,694	1,330,694
	-	1,598,808	1,598,808
Total support to the serving Royal Air Force	-	1,738,464	1,738,464

Support to the veterans' community	Capital Cost £	Running Cost £	Total Grant £
General welfare			
Age Concern Spain	-	7,500	7,500
Alzheimer's Society	-	50,000	50,000
Alzheimer's Support	-	1,000	1,000
COBSEO	-	7,500	7,500
Czech Veterans	-	6,000	6,000
Defence Medical Welfare Service	-	5,000	5,000
National Association of Swimming Clubs for the Handicapped	-	500	500
Polish Veterans	-	5,000	5,000
Poppy Scotland - Armed Services Advice Project	-	25,000	25,000
RAF HCPT - The Pilgrimage Trust	-	2,000	2,000
RAFT (Restoration of Appearance Function)	-	500	500
Regular Forces Employment Association	-	19,510	19,510
RCEL - Royal Commonwealth Ex-Services League	-	23,600	23,600
Slovak Veterans	-	7,000	7,000
SSAFA Forces Help	-	100,000	100,000
Stoll	23,000	-	23,000
The Spinal Injuries Association	-	4,000	4,000
The "Not Forgotten Association"	-	20,000	20,000
Veterans Scotland	-	5,000	5,000
	23,000	289,110	312,110
Residential, nursing and therapy centres			
Broughton House	-	20,000	20,000
Community Housing & Therapy	-	3,500	3,500
Gardening Leave	-	4,000	4,000
Home Farm Trust	-	20,000	20,000
Homes in Zimbabwe	-	30,000	30,000.00
RCEL - Curphey Home, Jamaica	-	10,000	10,000.00
Royal Star and Garter Homes	-	10,000	10,000
Scottish Veterans' Residences	25,000	-	25,000
Sue Ryder Home - Prague	-	3,000	3,000
The Queen Alexandra Hospital Home	10,000	10,000	20,000
Veterans Aid	-	19,000	19,000
	35,000	129,500	164,500

THE ROYAL AIR FORCE BENEVOLENT FUND

Grants to Third Parties

Holidays for disabled/disadvantaged	Capital Cost £	Running Cost £	Total Grant £
Lord Kitchener Memorial Holiday Centre	-	10,000	10,000
Vitalise	-	5,000	5,000
	-	15,000	15,000
Hospices			
Dorothy House Hospice	-	4,000	4,000
Hospice in the Weald	-	6,500	6,500
Iain Rennie Grove House Hospice	-	6,000	6,000
Martlets Hospice	-	3,500	3,500
Oakhaven Hospice Trust	-	2,000	2,000
Phyllis Tuckwell Hospice	-	5,000	5,000
South Bucks Hospice	-	1,250	1,250
St Andrew's Hospice	-	3,000	3,000
St Barnabas' House Hospice	-	2,000	2,000
St Luke's Hospice	-	3,000	3,000
St Margarets' Somerset Hospice	-	3,000	3,000
St Nicholas' Hospice Care	-	2,500	2,500
St Wilfred's Hospice	-	3,000	3,000
Thames Hospice	-	1,500	1,500
The Hospice of St Francis	-	5,000	5,000
Weston Hospicecare	-	2,500	2,500
	-	53,750	53,750
Charities for the blind			
Calibre Audio Library	-	1,800	1,800
National Talking Newspapers & Magazines Association	-	1,000	1,000
	-	2,800	2,800
Total support to the veterans' community	58,000	490,160	548,160
Returns			
Airplay Park at RAF Honnington and High Wycombe	(346,833)	-	(346,833)
	(346,833)	-	(346,833)
Total grants to third parties	(288,833)	2,228,624	1,939,791



*RAF personnel from
RAF Benson take
part in the RAF95
birthday celebrations
raising money for the
RAF Benevolent Fund*



**Royal Air Force
Benevolent Fund**
THE HEART OF THE RAF FAMILY

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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